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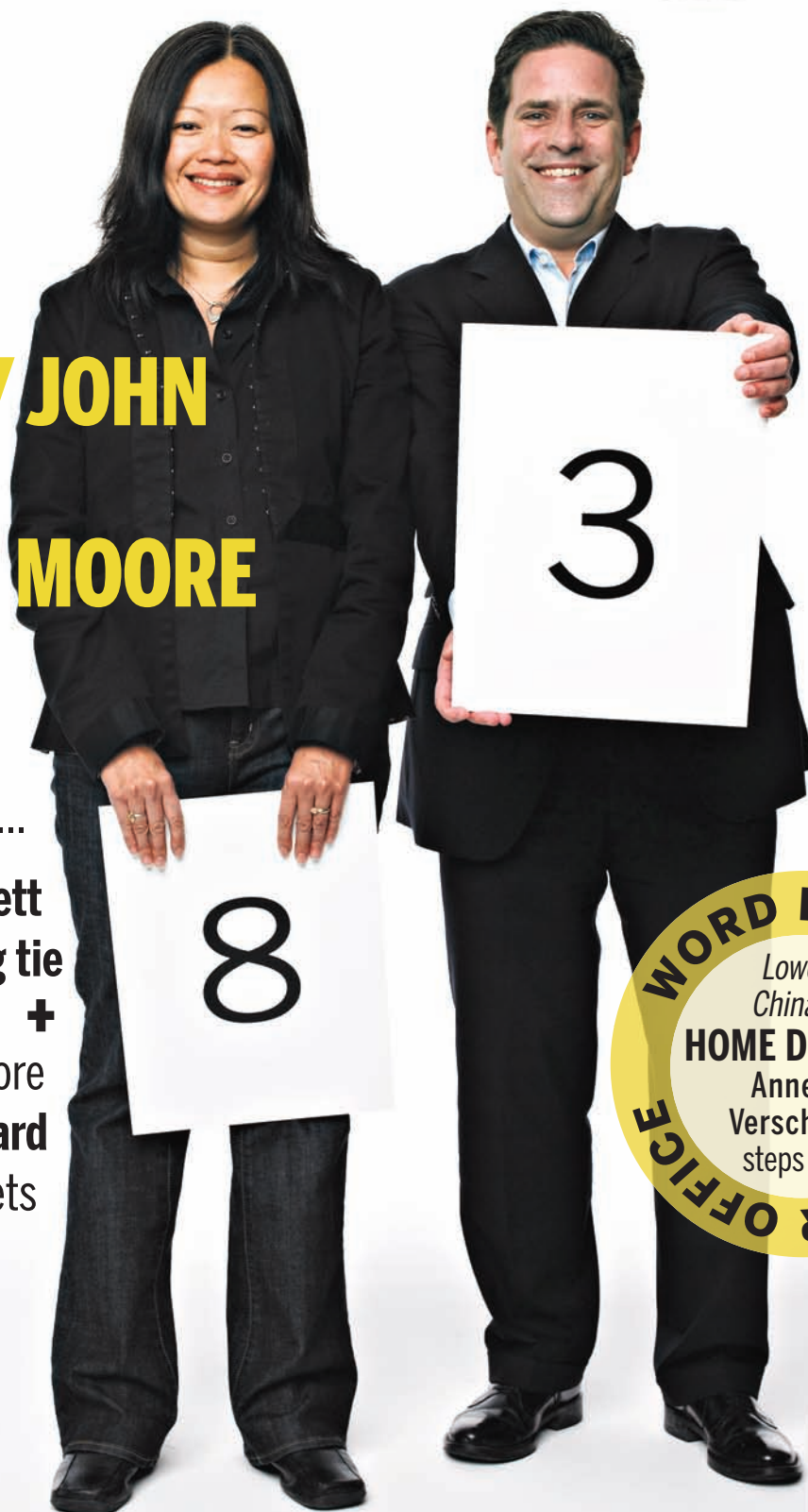
FEBRUARY 2007 \$6.95

WHY ARE **JUDY JOHN** AND **DAVID MOORE** SMILING?

You can
stop counting...

It's Leo Burnett
in a surprising tie
+

more
Creative Report Card
upsets



Al Massey is now Director of Strategic
Services at McDonnell Haynes.

(na nana na naaaa)



11

BIZ

Annette Verschuren's building plans



28

MEDIA

Nokia's blog cred



45

CREATIVE
REPORT CARD

You knew Zak & Taxi
would make the grade

On the cover

Last year's Creative Report Card cover featured the top CDs. This year, we were determined the cover should go to the *marketer* who won the most awards here and abroad. So when Pfizer tied with Leo Burnett for Top Client, the cover shot went to Leo president David Moore and CCO Judy John. We figured the First Ever agency to top the Client list, and also come 4th on the Top Agency side of the tally, merited attention. The Burnetters' client score came entirely from one piece of work: their website. Since it's that good, we shamelessly stole the cover's scorecard concept from the "7+" part of the Leo Burnett site which explains the agency's global work evaluation protocol. Nigel Dickson of Toronto-based Deluxe Photography adeptly (as always) helmed the shoot, but is not responsible for the image above, which is apparently evidence of what transpires at Leo B holiday parties.



4 editorial

Giving back to brands giving back . . . In lieu of karma coupons, **strategy** plans kudos for the brands that Do Good smartly. See if you could be a **cause + action** star

8 upfront

Mickey Mouse passports; **Air Miles** for breakfast; and playing with **K-OS**

11 biz

Between fending off Lowe's and taking over China, Home Depot Canada prez **Annette Verschuren** builds her Do-it-for-You platform

19 who to watch

Rebranding can be fun. **Nancy Marcus** preps Cashmere (the tp formerly know as Cottonelle) to withstand possible re-entry of the original brand, while Philips' **Jim Savage** performs random acts of simplicity

25 deconstructed

Taking a blood oath online works for **CBS**

26 creative

Cookies and cruise lines further "beginner's luck" theory with compelling first-time corporate work

28 media

WOM proves its bottom line merit, thereby earning a budget line with some of the big players

32 what next

ARGers make brand ambassadors look lame when it comes to enthusiasm. Welcome to the alternate reality game . . .

45 creative report card

Ties, upsets (and ninjas using pointy-headed gnomes to kill mimes). The tally of all tallies is finally set in stone, well, ink really (and online)

56 forum

David Moore does an *Emperor's New Clothes* reality check on research, while **Will Novosedlik** spills the beans on barista brands

66 back page

Animals do the darnedest things.
And most of them aren't in the script



Cause + action

Last issue we chronicled the evolution of Dove from a bar of soap to a full-fledged beauty line. This issue we explore how Home Depot Canada topper Annette Verschuren has been evolving the chain to withstand new competition, and thereby positioning herself as the go-to woman for heading Home Depot in China. To some extent, both the skin care brand and the hardware brand could be seen by consumers as commodities, interchangeable with their constantly one-upping competitors. But what the brands also have in common is a mission. Dove has assumed the mantle of a body image freedom fighter, while Home Depot has carved out a space in the eco arena.

Aligning a brand with a good cause, creating one, or making sweeping changes like Wal-Mart has done with sustainable development, is a higher priority now. When *strategy* asks company presidents what they care about, and what matters most, many describe their brand's social strategy. And whether it's conservation, ethical sourcing, or diversity they're working on, they also say: "Consumers are asking for it." And when you deliver, judging by the success of the Dove viral, the payback goes beyond purchase influence and into the realm of unparalleled WOM.

So, doing good matters more now. *Strategy* is therefore devoting more attention to the smart ideas in the social strategy space: In a follow-up to our inaugural Brands Giving Back report last summer, we're devoting our upcoming May issue to the CSR theme, and launching new awards celebrating the folks who are getting it right. Introducing...

strategy magazine's cause + action awards.

honouring CSR brand plans that are changing minds. and matter

Here's where you come in. We're hereby inviting you to enter a case study providing an overview of your brand's social strategy, detailing your most recent efforts, and providing objectives and results of the program. There are no categories. The cases will be judged together with the overall most impressive work winning. (Contact Natalia Williams at natalia@strategy.brunico.com for entry guidelines.) For keeners out there, here's a *Cole's Notes* on what our judges will be considering:

Brand DNA rating: How well does your brand's social strategy mesh with its positioning? Is there a simple, strong and relevant connection?

Uniqueness: Does your brand have a program that is distinct and identifiable as its social strategy space? Does the program give new definition/meaning to the brand?

Awareness: Has the brand's CSR efforts generated widespread buzz?

Legs: Does the social strategy have growth potential? Is there scope for expanding the program via more grassroots efforts and/or global partnerships? Is it hijack-friendly?

Overall Brands Giving Back factor: How successful has the program been in achieving positive change?

The winners will be revealed in the May issue of *strategy* and awards will be presented at our Social Responsibility Forum, slated for June in Toronto. Even if you don't enter, we encourage you to use our cause + action criteria as a quiz, and self-adjudicate. Hopefully, you'll be ready to enter next year.

Good luck, and thanks to everyone who helped shape the awards! **cheer,mm**
Mary Maddever, exec editor, *strategy/MIC*

More strategy news:

I'm delighted to announce that **Karen Mazurkewich** has joined *strategy* as associate editor. Karen has returned to Canada after several years as a foreign correspondent in Israel and Hong Kong. Most recently, she was a reporter for the *Wall Street Journal*, and has been honing her consumer skills while raising twinlets and renovating. Karen, who is also an author and documentary filmmaker, is actually returning to Brunico; she was previously a columnist for *strategy* sister pub *Playback*.

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Subscription rates

STRATEGY is published 12 times per year by Brunico Communications Inc. (12 issues per year): In Canada (GST included registration number #89705 0456 RT):
One year CA\$69.50
Two years CA\$125.00
Single copy price in Canada is \$6.95. Subscriber's name and occupation are required. Please allow four weeks for new subscriptions and address changes. ISSN: 1187-4309

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Strategy partners with *Globe* to boost Canada in Cannes

I'm thrilled to let you know that *strategy* and *Media in Canada* have recently struck a partnership with the *Globe and Mail* – the official Canadian Representative at the Cannes International Advertising Festival.

The marriage is no-brainer. As the Canadian rep, The *Globe and Mail* is charged with raising awareness of Canadian creative on the international stage and inspiring excellence in advertising across all mediums. *Strategy* serves the creative and marketing industries in this country by revealing and celebrating that excellence.

As the exclusive trade publication of the *Globe's* 2007 Cannes program, *strategy* will be publishing a special insert lauding Canadian creativity. A *Guerilla Guide to Canadian Advertising* will take a look at the most ingenious, most integrated, most insinuating – and the most darn fun brand antics out there. Bring on the Titanium. Polybagged with our June issue and distributed at the Palais and all official Canadian activities in Cannes, the publication will also be sent to C-level *Globe and Mail* subscribers just before the Cannes Lions. The goal is to inspire and enlighten not only *strategy's* loyal readers, but also those who might not necessarily have their finger on the pulse of the ad industry.

If you'd like to be part of this guide, please don't hesitate to be in touch with me. Whether you're charged with marketing for an agency, you're a stock footage distributor, media seller or production house you won't want to miss this incredible opportunity to strut your stuff to Canadian decision-makers and the international advertising community at Cannes.

In other news, momentum is gaining for Strategy U on April 26. This full-day professional development event is designed for buyers, planners and client marketers to learn about Quebec's media landscape and takes place at the downtown Toronto campus of George Brown College. Leaders in Quebec media will be teaching classes on best practices and fundamental understanding of processes related to their fields. Takeaways and course outlines in each medium will include everything from how to begin to execute a media campaign in Quebec through to completion delivery. Sponsored by the Interactive Advertising Bureau and Transcontinental publications and supported by the Canadian Media Directors' Council, this is a must-attend day for anyone with an interest in media consumption in Quebec. The early bird deadline expires at the end of the month so register now at www.strategyu.ca

The first in a series of half-day presentations in partnership with Leo Burnett is slotted for April 13. This series will expand upon proprietary research on engagement presented by Jason Okes at last year's Media in Canada Forum. The first session will take a look at the mind and reveal the variables in play to create engagement. Discussions and case studies will revolve around such things as attention, perception, emotion and memory. Check this space next month for registration details.

If you're looking for more information on any *strategy* event, including the 10th Annual Understanding Youth Conference or the Social Responsibility Forum on June 7, don't hesitate to get in touch.

cm

Claire Macdonald, publisher, *strategy* 416.408.0858

SPONSORED ALSO IN THIS ISSUE... SUPPLEMENTS

PAGE S33



PAGE S58



UPCOMING SUPPLEMENTS

April 2007

**Sponsorship &
Promotional
Marketing**

Awards shows are all about the work. Theoretically. The blood, the sweat, the tears. Figuratively. The trophy that simultaneously announces “I’m better than you” and “You should have sex with me.” Literally. However, somewhere along the walk to the podium, this became less and less and less true. But not the case this year. Honest. This year’s Bessies is all about the work (the after-party too, but the work more than ever).

Bullshit? Well then, check out this year’s show theme, creatively expressed in this logo:

The BEE

It’s the Bessies, only shorter.

The concept: Short and simple. Which, you’ll be pleased to know, applies to more than just dropping letters from the show name. It means gathering up all the things we hated about previous Bessies and dropping them in the trash. Unless they’re recyclable; then we’ll drop them in the

recycling. Unless we have to get off our asses to reach the recycling; then we’ll drop them in the trash and hope nobody’s watching. Anyway, taking the B.S. out of the Bessies (the runner-up show tagline) is the idea. No B.S. = short show = focus on the work = everybody’s happy.

Short and simple is better. Trust us. For instance, short and simple show title: The Bes. It’s the Bessies, only shorter. Nice. Now, for comparison’s sake, not short and not simple show title: The Bes. It’s the Bessies, only without the acceptance speeches, the show introduction, the band, the cross-dressers, the dancing cigar-smoking midgets, the monkeys, the phrases “Let’s all take a look,” “One more thing” and “I’d like to thank,” exceeding the 90-minute time limit, showing the same spot more than once, showing the same spot more than once, showing the same spot more than once, the rambling host, the flamenco dancers and showing the same spot more than once.

Not short and not simple goes a long way toward explaining the show idea. True. But not short and not simple also makes for huge banners, expensive trophy engravings, an ugly logo (so my art director tells me) and one really long brain-numbing afternoon. So we’ve settled where we are: The Bes.

The Bes. Add a “t” and you get the best. Which is where the focus lies this year. Not on the dancing dancers or the juggling jugglers or the talking talkers, but on the work. And you’ll see it in all its glory on the ninth of May at the Sheraton Hotel. But for the show to be all about the work, you have to enter the work first. Deadline strikes on the ninth of February, two thousand seven. Visit thebessies.ca to enter your blood, sweat and tears.

"It's not easy

HOW TO EAT AND DRINK YOUR WAY AROUND THE WORLD

Number of cartons of Tropicana orange juice to London: 6,000.

Number of boxes of Cap'n Crunch to New York: 1,500.

Thanks to a new partnership between Aeroplan and Pepsi-QTG Canada, you can now mow your way to a jet-setting lifestyle. The deal marks the first time a CPG co has partnered with Aeroplan to create a



loyalty program whereby consumers can earn 10 Aeroplan Miles by digging into Quaker oatmeal, Life cereal or Tropicana juices.

Logging the miles is a bit tricky. It requires searching for a secret 16-digit PIN hidden in the product packaging, and plugging it, along with an Aeroplan number, into a web site devoted to the program:

www.breakfastcentral.ca or www.stationsdejeuner.ca.

"Consumers are pretty used to the card swipe," says Rob Shields, VP partnerships at Aeroplan, acknowledging that this new style of logging points does create an extra barrier for the consumer. However, he reports that early response has exceeded expectations: "In testing and consumer research people did not say it was too much work."

While Shields admits the technology could be easier, he says the Pepsi-QTG deal is just the tip of the CPG iceberg. "It's a huge opportunity for retailers and CPGs to get access to their customers," says Shields, who reveals Aeroplan is in talks with other CPG brands. "There is a bit of a hurdle with consumers, but from the business-to-business standpoint the hurdles are minimal," he says.

And just how many rewards is Aeroplan handing out? According to the company Aeroplan issued 1.35 million round trip rewards in 2005, up from 1.2 million in 2004. **KM**

PICK FROM ABROAD

A&E lures aud with mob money



A&E is running a real-time online game, called *The Sopranos* A&E Connection, that has people playing along as they watch the show. Each ep, players predict events and adjust their virtual game boards, found at www.suitcaseofcash.com. They earn points based on accuracy.

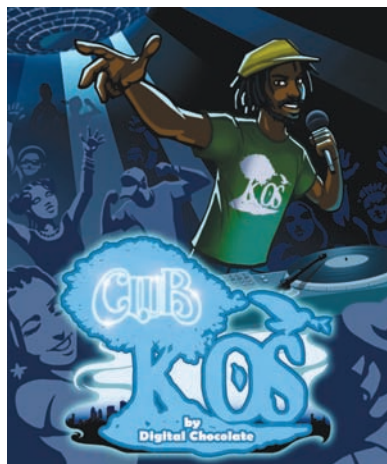
Players can also collect up to 36 game pieces found on roadside

billboards, print ads, phone kiosks and online banner ads. Contestants "collect" points either by clicking on cyberpieces, or by taking digital photos of themselves with the pieces and e-mailing them to game@mobot.com. A&E touts the game as "fantasy sports meets scavenger hunt."

The competition wraps on Feb. 21, with the big winner getting, you guessed it, a suitcase full of cash: 100 large. Weekly prizes include digital cameras and PlayStation 3s. **AB**

EMI Music Canada spins K-OS with new mobile game

◀ By Annette Bourdeau ▶



Want K-OS to DJ at your virtual club? EMI Music Canada can hook that up in a new mobile game built with San Mateo, Calif.-based game developer Digital Chocolate.

The game, called Club K-OS, is woven into a custom edition of Digital Chocolate's Sin City-esque mobile game, Nightclub Empire, in which users hang out at virtual

nightclubs. Club K-OS will feature the artist's likeness, and push his single "Sunday Morning." It will also have an embedded link to the carrier's ringtone store where users can buy the song.

"Wireless and mobile is a huge driver for where the [music] business is going," says Sean Hutchison, director of digital business development at Mississauga, Ont.'s EMI Music Canada. "We want to extend that experience beyond just ringtones."

Hutchison says the game aims to support efforts to promote K-OS in other markets. "K-OS is a very big name in Canada...we want to bring the K-OS message to other territories," he explains, adding that EMI

decided to work with Digital Chocolate because of its strong connections with carriers stateside, and even globally.

Club K-OS launched in Canada with Virgin Mobile and rolled out on the other major carriers last month. Hutchison expects the game to launch in the U.S. this month, and in Europe later in the year.

EMI Canada worked directly with Digital Chocolate to broker this revenue-sharing collaboration.



being green”

WATER COOLER

ASKING CANADIANS

Jockeying for java drinkers

What is your favourite coffee experience?

Tim Hortons	65.87%
Starbucks	13.97%
Independent coffee shops	10.68%
Second Cup	7.19%
Timothy's	1.30%
Coffee Time	0.80%
Coca-Cola Far Coast	0.20%

This poll was conducted by the AskingCanadians™ online panel of 1,000 Canadian coffee drinkers between January 5 and 9, 2007. www.askingcanadians.com



Mickey Mouse passport patrol

Disney marched its team of uniformed ambassadors across Canada late last month, where they handed out copies of “Passport to Dreams.” The booklet gives info on deals at Walt Disney World in Florida, along with passport application forms.

“Over two million Canadians travel to Florida every year,” says Orlando-based Bruno Jauernig, Disney director of marketing strategy (U.S. & Canada).

The program is designed to avert confusion about the



new law requiring everyone to have a valid passport when entering the U.S. by air, says Jauernig. “We pride ourselves on great guest services and we don’t want people to start [their vacations] on a bad note.”

This is also the first time Disney has offered a sweepstakes program in Canada. Highlights include savings on a week-long Walt Disney World dream vacation, special airfares through WestJet and Air Transat, and free ticket upgrades within the park. The grand prize is a trip to Disney World, as well as a stay at the Mickey Mouse penthouse in Disneyland in California.

The sweepstakes will be promoted through a print and radio campaign until mid-May and online at disneyparks.ca. Toronto-based Solutions & Impact designed the passport booklet, and Starcom Mediavest Group Canada is handling the radio, print and online components. **KM**

Brilliant!

◀ By Annette Bourdeau ▶



No media budget? No problem! Vancouver-based eco-friendly paper co Hemlock has spruced up its packaging to stand out in offices.

SUSTAINABLY DEVELOPED AMBIENT MEDIA

Frogfile Office Essentials, which sources environmentally friendly supplies, and Hemlock Paper enlisted help from socially conscious agency Change Advertising of Vancouver to brainstorm ways to promote Hemlock’s 100% recycled copy paper. Without an ad budget.

“It’s like Kermit the Frog said: ‘It’s not easy being green,’” quips Marc Stoiber, Change’s president.

The lack of money forced them to think outside the box, and, as a result, they homed in on what they saw as a missed opportunity. “You see paper reams in the store, and they just have numbers and letters and crap written on them. There’s nothing interesting about them,” explains Stoiber. “We wanted to get the message [that Hemlock is eco-friendly] out in a fun way.”

So, Hemlock’s paper reams are now decorated with green illustrations of tree parts that resemble an evergreen when stacked. And, its boxes are coloured brown to look like tree trunks. As a bonus, the paper wrappers also double as DIY origami trees for bored secretaries to build in their downtime. Stoiber says the effort aims to give people something to look at, something to do, and something to belong to. To address the latter, office employees are encouraged to submit photos of themselves with their origami “forests” to Frogfile for a chance to have the co buy a tree in their name.

Hemlock is currently only available via online orders from Frogfile, so this effort aims to get it noticed around offices. And, when it’s eventually available at retail locations, it’ll certainly stand out from the competition.

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Left: Annette Verschuren does it herself.

Below: Products like lighting draw in more female consumers

ONGOING RENO

In **Word from the Corner Office**, Home Depot's **Annette Verschuren** talks about building on a good foundation

◀ By Karen Mazurkewich ▶

The chain that once targeted the weekend warrior now boasts a hefty female clientele thanks to an eclectic mix of plants, lighting and furniture

When Annette Verschuren first landed in Canada as the newly minted president of Home Depot Canada in 1996, her first stop was the chain's south Brampton, Ont. location. For four hours, she camped at the store's entrance. To her surprise the customer base was rather homogenous.

"There wasn't a woman who came through that door," she recalls.

What a difference a decade makes. When Verschuren, former president and co-owner of the arts and crafts retailer Michael's of Canada, took the reins, Home Depot served 19 locations. Today, the Atlanta-based company, which rang up \$5.5 billion worth of sales in Canada last year, is running neck-and-neck with Canadian



Tire and Rona as this country's leader in home renovation. The reason: Verschuren added 158 stores, and embraced the company's new mantra to diversify its product categories. The chain that once targeted the weekend warrior now boasts a hefty female clientele thanks to an eclectic mix of plants, lighting and furniture.

But Verschuren is not resting on her laurels. In addition to managing change in Canada, she was appointed Home Depot's head of Asian operations, after the company announced in December that it would buy Home Way, a chain of 12 big-box stores in large Chinese cities including Tianjin, Beijing and Zhengzhou.

Verschuren's juggling act is going to be a tough one. In addition to growing business in China — one of the fastest-growing economies where she will spend 25% of her time — she must continue to innovate on her home turf.

While Home Depot has secured the top spot here, its rivals continue to up the ante. Canada is more competitive than the U.S., says Verschuren. In the U.S., the

company's nearest rival is Lowe's with Menards a distant third.

Now, its U.S. archrival is poised to open a store in Hamilton – the company's debut in the Canadian market. Lowe's has confirmed it will also open branches in Brantford, Ont., south Brampton, Ont. and Toronto, as well as nine other locations across the country, according to Doug Robinson, president of Lowe's Canada.

Lowe's has long been a thorn in the side for Home Depot in the U.S. With its bright, clean stores that have long catered to women, the 1,325-outlet chain was once dubbed "Wall Street's home-improvement darling" because for years it led the industry in total sales gains, on a percentage basis.

But while Lowe's imminent arrival has garnered much press, Home Depot Canada must still keep its eye on its closest competitors here – Quebec-based Rona, which saw over \$5.6 billion in sales for 2005 among its network of 640 stores and dealer-owner



Left: Eco Options is a Canadian initiative promoting eco-friendly products that is being exported to the U.S.



operations, and Canadian Tire which pegs sales for the retail portion of its company at \$6.9 billion.

These companies are all in aggressive expansion mode. Rona recently acquired Mountain Building Centers in British Columbia, recruited 23 new dealers in 2006, and recently opened two big box stores, a Reno-Depot in Rimouski, Que. and a Rona L'Entrepôt in Charlemagne, Que.

Canadian Tire continues its push to convert 20% of its warehouse space to home décor categories such as lighting, floor coverings, textiles and ready-to-assemble furniture. In addition, the company plans to build 24 new stores, revamp 76 old stores and retrofit an additional 175 stores by the end of 2009, according to Lisa Gibson, manager, media

and public relations, Canadian Tire.

Home Depot has parried with an aggressive strategy of its own. Earlier the company announced its plan to invest \$450 million by adding 18 new stores by the end of 2006 – a growth of two million square feet of retail space.

Now more than ever, the success of the home renovation market depends less on hawking hammers from big box spaces, and more on developing new niches in the home-improvement market. Whereas Home Depot once boasted 125 types of measuring tapes, it now sells only 36. These days, one area of rapid growth is new services such as home security installation which was added in September, and its service features. Installation services have grown 25% each year for the past two years, according to Verschuren, and the company added 60 more service suppliers to its network in 2006.

In home appliances alone, the company has announced it will triple its square footage from 880 square feet to 2,500 in over 70 stores across the country. "The reason is that five years ago we tiptoed into the appliance business, and since then the consumer continues to tell us they want more," says Karol Allen, division merchandising manager, Home Depot Canada.

But while growing the consumer base, Home Depot is trying to hold on to the professional contractor – a group that accounts for about 15% percent of the market. Last year, the company made major acquisitions that Verschuren says will grow its wholesale division, Home Depot Supply.

Retail analyst, Maureen Sullivan, senior partner at J.C. Williams Group, says that while the industry has experienced double-digit growth in recent years, the market is slowing, but that Home Depot is making the right tweaks. "Home Depot is experimenting with different versions of their box by going into a lot of smaller centres, and adding new product," she says. Sullivan, however, believes the company could still do more to attract women: "Although everyone says that they are out there trying to appeal to women, these big warehouses are still not as women-friendly as they might be." In fact, analysts have opined that Home Depot's inability to make their stores more attractive to women was a factor in the departure of Robert Nardelli, former chairman/president/CEO of Home Depot in the U.S.

To be sure, Home Depot is still very guy-focused when it comes to sponsorship. Not only does it sponsor CBC's *Hockey Night in*

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Are you Cranially Endowed?

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subjective coefficient of the correlation
between physical brain volume and the
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Above: When Verschuren took the reins, Home Depot Canada had 19 locations. She has since added 158 stores

Canada and the new “Think Hockey” spots on CBC, it also sponsors 25 junior hockey teams, and inked deals with both the Maple Leaf Sports and Entertainment Group and the Calgary Flames which include signage on rink boards as well as time on the JumboTRONs. In the U.S., it signed a multi-year deal with The National Football League which includes marketing rights to the Superbowl and NFL Network-related programming.

On the marketing front, Home Depot relies heavily on its Dallas-based creative agency, The Richards Group, for most of its campaigns. The Richards Group has two account executives based in Home Depot’s Toronto office to localize campaigns working closely with the media agency Initiative Media. For example, last summer Home Depot U.S. developed TV spots focusing on indoor projects including paint and lighting which was not the seasonal focus for Canada. Instead, the Canadian in-house marketers decided to develop their own campaign to promote outdoor products, running three TV spots entitled “Tongs,” “Runaway” and “Light Switch” that ran on both conventional and specialty stations.

The in-house account directors also developed a magazine and ad campaign for its Eco Options program, a Canadian initiative that was launched in consultation with Toronto’s Summerhill Group to promote eco-friendly products. Summerhill certifies the green products, liaises with vendors and develops eco programs with business and government. Toronto-based Green Living Enterprises, which also publishes *Green Living* magazine, produces the *Eco Options* magazine. TV spots and print ads are run sporadically throughout the year, including Earth Day. The Eco Options brand is going to be launched in the U.S. later this year, according to Gaye Mandel, Home Depot’s senior advertising manager.

Cossette in Montreal handles the French-language adaptations because the company doesn’t want to produce dubbed ads for Quebec. Home Depot also works with Toronto-based Que-Net Media for all of its flyers, direct mail and consumer print promotions including the Win a \$20,000 Dream Kitchen Contest which ran between October and November 2006.

While its prime-time TV focus is on developing brand equity, the co’s more segmented marketing campaigns in the past have been aimed at its growing female audience. For several years, Home Depot worked with women’s mags like *Chatelaine*, developing campaigns such as 2005’s “Domestic Divas” – aimed at attracting decorating wannabes to the store through two 16-page ad supplements in *Chatelaine*, contests on the *Chatelaine* website, and gift cards. But while the company pulled back from women’s mags last year and focused on shelter media such as *Homes and Gardens*, Mark Wilson, VP group account director

at Initiative Media, says women remain a priority.

“Our strategy is that we do a good job on men...men like Home Depot...but we want to make it a destination for people interested in home décor,” says Wilson. “Urban, female, upscale home owners are one of our key demos.”

Verschuren recognizes that the real competitive edge will be monitoring subtle demographic changes. While Home Depot, following Lowe’s lead, finally broke the gender barrier, Verschuren says it’s important – particularly in Canada – to appeal to multiculturally. Hiring strategies

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are critical, she says. "In a typical store here there are 17 languages being spoken. I like to say: 'I'm running the United Nations here.'"

Design and product choice are important, and overall, she says Canadians are more discriminating. "When you have 20% less disposable income than your neighbour across the border, you are going to be fussier about what you buy," she says.

What is the biggest single change you've seen since your arrival?

The customer has changed dramatically. *She* has come into our store. Women spent more on fashion years ago, but fashion translated very quickly to the home. The whole cocooning thing has transferred. When I see colours on the runways of Paris, I know what the colours of soft window coverings will be in our stores, and what colour of countertops are coming, and what the colour finishes will be. That wasn't there 10 years ago.

Did the strategy come from the consumer requesting new product or Home Depot saying: "We aren't getting enough women in our stores and what will it take to attract them?"

A combination. Women are taking their rightful place of being seen and being served. In the past, even though she was controlling the

When I see colours on the runways of Paris, I know what the colours of soft window coverings will be in our stores. That wasn't there 10 years ago

purchasing in the household, (women) weren't recognized and catered to. The change of the family also had an impact. Twenty percent of purchasers of new homes today in our country are single women. We continue to see how the change of the family unit changes products and services (offered).

What demographic is having the greatest impact?

The baby boomer. The do-it-yourself has become a "do-it-for me." [They say] "I've done it myself until now, and now I'm going to get someone else to do it for me because I can afford to." As they become empty nesters...they say: "I'll take my trip to the Caribbean and I'll get an installer to do it for me." I think that shift is very real – there's an enormous amount of money in that group in Canada.

What departments have you changed over the years?

There was hardly a kitchen department 10 years ago. You saw very little furniture. Today you see furniture in our stores. Our appliances are the newest. There was a lot more low-end wallpaper. We exited cheap wallpaper five years ago; now it's a high-end selection. I think our lighting department is the strongest in the world. When I arrived it was very traditional, nondescript. The garden centre has changed. We got more colourful. We had no indoor house plants. Today it's a big part of our selection.

And the biggest area we've developed is the services business – installation. Diversification is the name of the game.

That said, I don't believe in looking for a home run. I believe in making sure that every one of our departments and categories are upgraded

constantly. That's what keeps you as a mass merchant, getting people to come back. You can't say: "Hey, I'm going to leave this department and go after this one." It doesn't work. Because we are 11 shops within one store in Home Depot and you can't ignore one of them.

How are you tweaking?

If we had 25 hammers, now only 15. We haven't lost categories. The assortment out there is what you need for the project. If you miss that dimmer in the electrical department, you are in trouble. But we've brought (numbers) down to make it easier for our customers.

What is your strategy for another big player in the market?

We will continue to offer innovative product, grow our appliance business, and grow our kitchen, bath and floor business.

Will you up spending on advertising?

Will we make adjustments, yes.



Verschuren: "I think our lighting department is the strongest in the world"

How can you grow departments without upping the footprint?

We extended our stores by getting into the special order area. (The company introduced Web-based kiosks in stores to enable customers to link to special-order items.)

We have product that is not so much visible to the person's eye until they become connected with our associates and vendors.

And this relates to the growth in the services industry?

It's really taken off in the last three to four years in a very big way. We do sunroom installation, and we just got security installation. We have a book A-Z of 50 or so services. In the last couple of years

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we've grown from 25%-30% a year, and that's everything from installing a fridge to very sophisticated kitchens, carpets, basements. Bathrooms have become spas, and our spa business has gone through the roof.

The extension of the inside of the home has been a big part of our business. It's the next room of a house, which happens to be outside. We continue to grow it aggressively and we're extending our lines of patio furniture and lawn decoration. Canadians, as long as our winters are, put as much, if not more (into outdoor) as somebody who can live outside their home year round.

How did you recruit service providers?

Because our business is so good, they come to us. And quite frankly, we grow them. There are some companies that started in small communities that are now national or are in two or three provinces. We have 800 service providers...and it's all independent.

How important is your contractor consumer in your overall strategy?

We are gaining enormous contractor business. There are 6,000 contractors (who buy from us.) There are a lot who come to our stores who we call stick and ladder guys. That is our sweet spot. (Under) Home Depot Supply, which is the wholesale arm of our company, we made five



Canada sells more colour than the U.S. In Quebec alone, four times more paint colour is sold.

acquisitions, Brafasco, Litemor, as well as Grafton Utility Supply, SESCO/Quesco and CTF Supply. The advantage of our retail (strategy) is not only can you buy all the material at the store, but at Brafasco you can have any fastener in the world, at Litemore or CESCO you can have any lighting or have a design and we'll build it for you. It's having the buffet for the contractor.

How does the Canadian market differ from the U.S. market?

The biggest difference is Quebec. Our multicultural mosaic is really about adapting more within specific markets. Canadians have 20% less disposal income than your average American so we're fussier about what we buy. I often say, we look for higher quality. I see that as a great strength of a Canadian customer. They look for longevity.

What sells differently?

We sell more colour. Particularly in Quebec. In that province we sell four times more paint colour than the U.S. We actually have a Quebec colour palette. (Both paint lines developed colours. They are CIL: Le Festival de couleurs and De Behr: Collection Couleurs du Québec). Natural products are considered very important to Canadians. Canadians (prefer) marble over Corian; hardwood is very strong. And we are much more aggressive in the window side of the business.

What else have you innovated here?

We love introducing Canadian companies (to the U.S. market). We're good at taking a basic product and innovating. Whether it's CE Cabinets, or Alexandria Crown Moulding and new crown moulding designs. Drycore is another great example. It's a Canadian company that designs a sub-floor for basements. It's in every store in the U.S. Another company is Peak Products that designed a fencepost insert. It's on every end cap in 2000 stores around North America.

What's your exclusive product strategy?

We have the number-one product line, called Hampton Bay. It's our private label in lighting, ceiling fans. Pegasus (faucets) is a great new line that we are introducing which is exclusive to Home Depot. It (features) mid- to higher-end bathroom accessories, everything from vanities to faucets to bath towel (holders). Ryobi and Ridgid Tools are hardware lines exclusive to us. These are propriety brands. We only do this when we feel it's a need. We love the brands we carry. We are the brand house, but if there's a weakness, and the light industry was an example where we felt there was a weakness, then we develop our own propriety brands.

How else is Home Depot staying relevant to its consumers?

Five years ago we started really pushing (environmental) solutions. (It started) when one of my assistants in the Kitchener, Ont. store said: "Why are we throwing all this product into landfill? Why can't we do something to recycle this?" I got on the board of Habitat for Humanity later that year, and product we'd normally be throwing into landfill was now being (donated to the Habitat for Humanity ReStores, and the proceeds are used) to build and upgrade homes (for low-income families). And that is worth \$3 million per year. That was driven by our customer saying companies need to give back. ■

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Rescue Mission

In a race against time, Kruger's Nancy Marcus managed to successfully rebrand five strong properties before losing trademark rights

◀ By Annette Bourdeau ▶



left her post as VP marketing at tobacco co, Toronto-based RJR Macdonald, to lead the complete brand overhauls. Her first big challenge was to get the right agencies on board. After poring through material from the 80+ agencies that submitted proposals, Marcus settled on Toronto-based John St. for English Canada, and Montreal's PALM Arnold for the Quebec market.

Faced with multiple brands to relaunch, Marcus decided to tackle Cottonelle first. "It's one of the jewels," she says of the brand, which was the number-one-selling bathroom tissue at the time. "We wanted to do a slow evolution." She took a cautious, three-phase approach to the transition, beginning with a 2004 campaign announcing the brand was changing its name to Cashmere, followed by the name change itself in 2005. Finally, in 2006, they took the name "Cottonelle" off the packaging altogether.

Marcus focused on tying Cashmere to fashion as a key differentiation point. In 2004, she and PR agency, Toronto-based Strategic Objectives, launched a Cashmere-sponsored fashion show featuring cashmere garments by prominent Canadian designers like David Dixon and Paul Hardy. At the same time, she launched an online contest to win a white cashmere pashmina, supported by POS and on-package messaging. "We were quite astounded by consumers' reaction to

It's not everyday that a brand has to differentiate itself from itself. But that's exactly the conundrum faced by Nancy Marcus, VP marketing at Scott Paper. When parent company, Montreal-based Kruger Products, bought Scott Paper from Dallas-based Kimberly-Clark in 1997, the agreement of sale only included use of the Scott Paper name

They call it transitioning, but that undersells what she's done...she's essentially rescued Scott Paper

and its associated brands like Cottonelle and ScotTowels until June 2007. So, while the company had scored some market-leading brands at the time, it faced the daunting task of being forced to rebrand within the next decade.

That's where Marcus came in. Kruger approached her in 2001 with its unusual marketing dilemma. "[They said] 'Nancy, we've got five brand transitions and one company name transition in the next few years,'" she recalls. Always up for a challenge, Marcus

[the contest]," recalls Marcus, adding that they extended the pashmina giveaway to incorporate a grand prize trip to New York City. "The response tripled expectations."

And, an effort last fall involving design students surpassed the results of the pro designers' show. This time around, there was one key difference – instead of cashmere, competitors had to craft their creations out of Cashmere toilet paper. The gimmick landed tons of press for Cashmere by outlets like Citytv

FIVE QUESTIONS

Favourite book

Charlie and the Chocolate Factory. That book sat on my bedstand throughout my childhood. It was one of the most engrossing, engaging, beautifully written books.

Favourite TV show of all time

Bewitched. It was an integral part of my growing up. Samantha's powers stay with me today – she epitomized a really different type of person.

Favourite magazine

Vanity Fair. It's smart, it's fast, it's fun.

Last ad that inspired you to make a purchase

The Apple Mac ads. Apple just succinctly delivers it. It really does show the differences between an Apple and a PC.

Ideal retirement spot

Capetown, South Africa. The most glorious place that has ever existed, from an aesthetic point of view.

who to watch. *Rebranding*



Toilet paper creations from Cashmere's student shows in Toronto (above) and Montreal

and *Elle Canada*. The two student fashion shows – one in Toronto, one in Montreal – scored coverage as far away as Europe. “It was fascinating that [the media coverage] did grow over the last year with the [professional] designers,” Marcus says, adding that the competition “absolutely delivered” from an ROI perspective. “It exceeded our expectations.”

Last year's mass media campaign by John St. also reinforced the fashion angle, featuring women tearing a strip off their bathroom tissue dresses. In French Canada, a campaign by PALM Arnold plays up the “indulgence factor” of the 3-ply tissue.

So far, the positioning seems to be working: Not only has Cashmere retained Cottonelle's number-one status, its market share has increased. “To me, the signal that it's an enormous success is that since the relaunch, the business is actually in better shape than before,” says Arthur Fleischmann, president of John St. “They call it transitioning, but that undersells what she's done...she's essentially rescued Scott Paper. The potential downside of [losing the trademarks] is catastrophic.”

While re-strategizing Cashmere's positioning was a big task, Marcus also had to worry about carving new directions for Scott Towels, Viva (its value-tissue brand), and the Scott Paper company

renamed the Scotties Tournament of Hearts.

To further differentiate the brands and deepen the emotional connection with consumers, 2006 marked the beginning of a partnership with the Canadian Breast Cancer Foundation (CBCF), which Marcus opted to tie to Scotties and Cashmere.

“We want to talk to our consumers with a very relevant strategic positioning,” she says, adding that breast cancer is top-of-mind with the prime target for both brands, women 25-54. The Cashmere packaging even includes a pink ribbon wrapping the woman in the logo.

To increase awareness of the partnership, Scott and CBCF teamed up with Warner Music Canada to produce an exclusive CD compilation called *Songs from the Heart*, featuring the likes of Phil Collins and Cher. The CD is being given away as a mail-in offer.

Marcus is no stranger to marketing challenges. She began her career in the ultra-competitive soft drink category at 7UP, back when it was still owned by Philip Morris. From there, she did stints at Canada Dry and Cadbury Beverages. “I spent almost 15 years in the soft drink business...and ended up in the bathroom tissue business,” says Marcus, quipping that her career has come full circle. She briefly launched her own business, a retail/ arts and crafts enterprise called Kid's Creative Playhouse in Toronto's Beaches neighborhood, before rejoining the corporate world with RJR Macdonald.

The coming months should be interesting for Marcus and her team, with the looming threat of Cottonelle and Scott Towels coming back to Canada.

“If Kimberly-Clark does decide to return to the marketplace, there will be confusion,” says Marcus. But, for her part, she's confident that she has differentiated her brands enough from their previous incarnations to withstand the ultimate test: the possibility of competing against their original identities. “The transition allowed us to revitalize and contemporize our product.” ■



name itself. Scott Towels wound up transitioning to Sponge Towels, complete with product adjustments to incorporate “sponge pockets” to better justify the new name. Viva is being folded into Kruger's other value tissue line, White Swan, and the Scott Tournament of Hearts has been



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Simply Effectual

How Philips Canada's Jim Savage has adeptly activated the global "Simplicity" repositioning

◀ By Annette Bourdeau ▶



Keeping things simple isn't always easy – especially at a large global tech corporation. But Jim Savage, director of corporate communications at Markham, Ont.-based Philips Canada, has managed to skillfully activate the co's recent global "Simplicity"

appliances – to work together more often to do group pitches, rather than functioning as four separate companies as they had in the past.

"Jim has come up with ideas that have raised Canada's profile in the Philips world," notes Iain Burns, president/CEO of Philips Canada,

Jim has come up with ideas that have raised Canada's profile in the Philips world

rebranding campaign in Canada through a series of not-so-simple initiatives like scoring space at Toronto's Pearson Airport for a Philips-branded Simplicity lounge. As well, "Simplicity Squads" in Toronto and Montreal handed out cab vouchers and provided couches at bus stops.

The simplicity mission extends inside the company as well. Savage spearheaded efforts to simplify how Philips Canada pitches vendors, encouraging the four divisions – medical, consumer electronics, lighting and

adding that Canada, as the Amsterdam-based company's 15th largest market, hasn't typically been a global priority. "He's managed to get me more money at a local level."

The airport initiative is one project that Savage tapped Holland for. "We had no funding in Canada," explains Burns. "He did an excellent job of selling it internally...with a lot of Philips savvy. He convinced them that it would be a success, and that it could be used elsewhere."

Carat Canada, came to Savage with the airport opportunity last March. He spent much

of the following months selling the concept internally, as well as dealing with airport regulatory speedbumps along the way. "Airports are the antithesis of simplicity. That made it that much more attractive to reinforce the message of simplicity in an environment that couldn't be more complicated," says Savage.

The Philips Simplicity Environment, developed with Carat and creative agency DDB Canada, finally opened last October in Pearson's busy Terminal 1. It aimed to be an oasis of calm for frenzied travellers, and featured a sound wall, leather furniture, a virtual aquarium, free Wi-Fi access and free quick charges for cellphones. It was staffed most of the day, and remained accessible 24/7 until the project wrapped last month.

FIVE QUESTIONS

Favourite book

Kingsley Amis's The King's English, a delight for anyone who works with words and the most entertaining desk reference you will ever find!

Favourite TV show of all time

The Rockford Files. It taught me everything I know about driving.

Favourite TV commercial of all time

There is a stunning Young & Rubicam spot from 1968 for the Chrysler 300, with the cars driving across the desert as gliders go past overhead – great jazz score and narration by William Conrad (Cannon) – makes you want to pour a martini and light a cigar...

Ideal retirement spot

Six months on the B.C. coast, six months in southwest Florida – guess which months?

Most useful business book

Most business books are terrible, but I found Larry Bossidy & Ram Charan's Execution (2001) useful.

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who to watch. *Rebranding*



Left: Philips makes things simpler at Toronto's Pearson airport and in Toronto's and Montreal's financial district (below)



Early results indicate that the brand association levels for the lounge were very high, and helped increase overall brand awareness. "It has been probably one of the best initiatives that Philips has done this year, and not just in Canada," says Burns.

Savage worked with his agencies to have his "Simplicity Squads" hit the streets of downtown Toronto and Montreal to coincide with the launch of the airport lounge. The squads, dressed in white jumpsuits, toted white couches around town to provide relief for tired urbanites, while handing out cab chits and vouchers for Philips products. The stunt was a PR success, and landed Savage interviews from Citytv, Global and 680 News, providing him with a forum to promote the airport lounge.

Airports are familiar territory for the jet-set Savage, who studied at the London School of Economics after earning a poli-sci degree from UBC. "I grew up in central California as a child of Canadian parents. My earliest memories are of crossing borders," he recalls.

His career path has seen him enjoy stints from Ottawa to Hawaii, in various roles in the telecom industry. In the late '80s, he worked for the Canadian Department of Communications (now Industry Canada). He then moved to Hawaii to work for Pacific Telecom before being recruited by GTE (now Verizon) to take a strategic marketing/planning role in its international branch, based out of its Dallas HQ.

In 1999, Savage launched his own company, RainCoast, which focused on developing marketing/communications plans for start-ups – mostly telecoms and dotcoms. In 2001, when those industries started bursting, Savage moved to Syracuse, N.Y., to work as director, global communications for Philips Broadband. When the company divested its broadband division, Savage came back up north to

tackle marketing for Philips Canada.

"Philips had been too big and too smug for too long, and that had to change," says Savage, explaining the impetus behind the 2004 global rebranding.

As the only person responsible for marketing the overall Philips brand (each of the four divisions have small marketing teams, which Savage also oversees), his immediate goals included getting the Canadian office noticed by Amsterdam, as well as elevating the brand's consumer awareness levels. And, he quickly noticed that the company's divisions were very isolated, so he took action to address that. "He brought the divisions together," says Burns. "Jim built a team, and they leverage from each other. That's helped maximize the dollar spend."

A prime example of what the newly formed team could achieve is the 2003 opening of the Prince County Hospital in Summerside, P.E.I. Philips pitched itself as a strategic partner rather than just a vendor, and wound up equipping the hospital with everything from medical equipment to lighting to TVs. "It was a great showpiece for us. It greatly simplified the vendor relationship," says Savage. "Since then, we've worked on using that logic when approaching our retailers."

Savage expects much of his efforts in 2007 will support the company's strategic shift towards focusing more on consumer health care products like home defibrillators. He's currently working on gaining internal support for having Philips Canada take on more of a public health advocacy role. If his past efforts to win over his colleagues are any indication, expect to see more of Philips in the health space. ■



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BLOOD SITE CYBERTAPS DONORS

◀ By Annette Bourdeau ▶

It's been a long time in the making, but the Canadian Blood Services' (CBS) foray into building an online community of donors/potential donors is beginning. Called Operation LifeBlood Community, the project piloted in London, Ont. in 2005, and aims to build an "intender base" of potential donors and encourages them to sign an online commitment to donate blood within the year.

Potential donors are driven to the site by a DRTV spot that features testimonials from recipients. They can register at lifebloodcommunity.ca, after which they receive three e-mails over two weeks driving them online. They then get quarterly e-newsletters, as well as e-alerts when blood is in high demand. Just launched in Alberta, the program will roll out regionally across English Canada over the next year.

"The pilot was [for] insight. From there, we crafted the strategy," says Steve Mast, VP/MD at Toronto's Delvinia Interactive, adding they made the e-newsletters less content-heavy to serve more as launch pads to the online community. The pilot exceeded expectations by 50%. The donor rate jumped from 10% to 16%.

The primary target is 25-54, university-educated homeowners, outside of urban centres. "The idea is, in a major emergency, we have [intenders'] e-mails [and] blood types," says Mast. We asked **Kathy Kohn**, CCO/partner at Toronto's Henderson Bas and **Mitch Joel**, president of Montreal's Twist Image, to share their thoughts.



CONCEPT

KK: Overall, I really like the use of online to support Canadian Blood Services. Given everyone's busy lifestyle, it's a great use of the medium.

MJ: I really like the personal commitment concept here on the registration. If you take the time to fill this out online, my guess is you'll remember it and, even without the e-mail reminders, you're making a contract with yourself.

DRTV SPOT

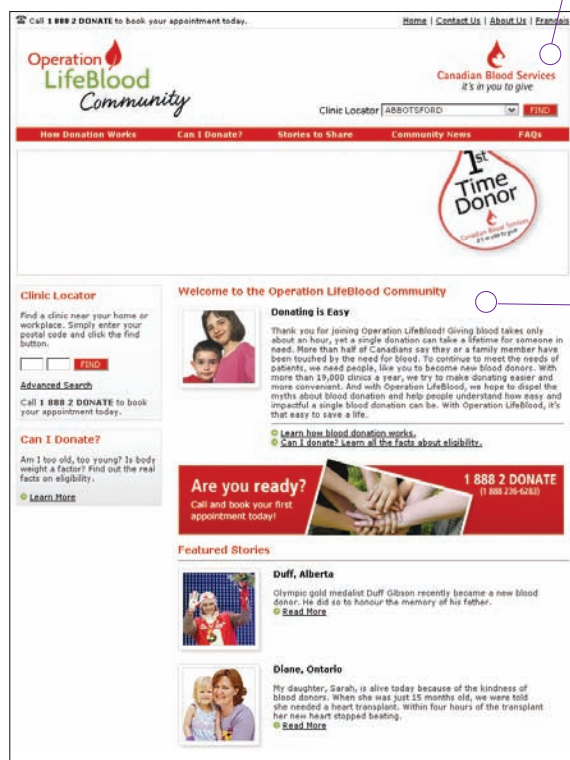
KK: It's well executed – it's clearly on brand and you know you are watching a spot for Canadian Blood Services. I think two spots would have been more effective – one for donors and one for non-donors and subsequently tailoring the call-to-action to the target.

MJ: I'm a big fan of the human testimonial section of this DRTV. I liked the flow of information and the clarity. I also appreciated that this is targeted towards people who have never given blood before. That statement truly made the spot memorable.

ONLINE STRATEGY

KK: A contact strategy for ongoing communications is a smart use of data and interaction. I really liked the "storyboard reasons" display ads – I think they do a brilliant job of providing interaction to address barriers and they effectively target non-donors.

MJ: Given the chosen channel and use of the term "community," I would expect a more human voice in the communications and less PR-type language. I think the e-mail reminders have the right spirit, but should be much more about how the individual who signed up can make a difference, and how the community is doing so far, in a first-person-type voice.



EXECUTION OF ONLINE COMMUNITY

KK: The community is an effective retention and [growth] tool for donors. I would market to [non-donors] using acquisition strategies, not including community. I would focus acquisition on the site (without registration) segmented by a gateway and focus on addressing barriers and making the initial donation as easy as possible – like providing a tool to make an appointment online.

MJ: Because it was called Operation LifeBlood Community, I continually found myself looking for places to interact with the site. Even in the Stories To Share section, it was testimonials and there was no place for me to share the one-way communication with others. Simply including "e-mail to a friend" or "add your own story" would add dimension.

The creds

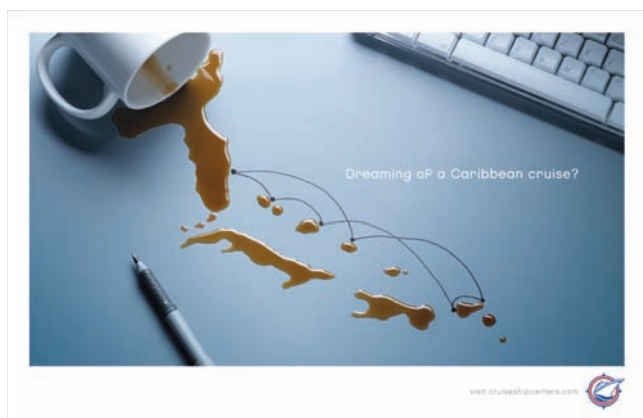
Client – Canadian Blood Services
Jeff Moat, director of marketing

Interactive agency – Delvinia
Steve Mast, program and strategy lead; Andrew Brady, client service

director; Randy Matheson, Grace Marquez, creatives; Rebecca Muller, interactive and e-mail specialist; Anya Galkina, senior designer; Simone Fried, project co-ordinator

DRTV agency – Northern Lights
Ian French, creative/copywriter; Vice Heney, director; Pippa Nut, producer; Scott Daniels, media buy

OUTSTANDING NEW CAMPAIGNS



◀ By Annette Bourdeau ▶

CRUISE CO BOWS FIRST BRAND WORK

You know you need a vacation when your iron starts looking like a cruise ship.

A new campaign for Vancouver-based vacation seller Cruise Ship Centers (CSC) features four different executions depicting everyday items with cruise-like undertones. For example, a line of spilled coffee shaped like the Caribbean Islands, or stacked cups leaning like the Tower of Pisa with the tag "dreaming of a Mediterranean cruise?" All executions drive consumers to the website, cruiseshipcenters.com.

"A lot of people dream of the cruise because it is one of the most luxurious trips you can take, and it takes you to exotic locations," says Craig Redmond, VP/CD at Grey Northwest, explaining the campaign's insight. "The littlest thing can spark [cruise] daydreams...we wanted to plant that seed in their minds using [everyday] inanimate objects."

This is CSC's first time working with an ad agency. "Traditionally, all they had done was DM and full-page newspaper ads with pricing," says Redmond, adding that they relied a lot on using branding from the cruise lines it sells space on, like Princess and Norwegian. "They felt that they needed to uplift the brand a little bit...[and] to establish CSC as a cruise brand itself – a conduit to cruise vacations."

The campaign targets frequent cruisers, who tend to be affluent and retired.

Once every quarter this year, a postcard execution of one of the ads will be mailed to travel agents and CSC's consumer database. Print executions will run in CSC's points club magazine, *Seven Seas Club*.

Redmond says the client is considering eventually running the ads in other magazines and as POS and billboards. But, since this is CSC's first time working with an ad agency, "it's baby steps right now."

client: **Geraldine Ree, SVP, sales and marketing; John Felice, VP marketing,**

Cruise Ship Centers

agency: **Grey Northwest**

CD/copywriter: **Craig Redmond**

ACD/AD: **David Wong**

account supervisor: **Mike Leslie**

producer: **Dennis Isaacson**

photographer: **Hans Sipma**

retouching: **Bart Allan**



DARE FEELS GOOD ABOUT FIRST CORPORATE EFFORT

A rhyming, almost Seuss-like tale of all the different places you can enjoy tasty Dare products is the concept behind three simple new TV spots from the Kitchener, Ont.-based cookie maker, marking the debut of the company's new tagline, Feel Good Food. The spots – one 60-sec. and two 30 sec. – use real Dare cookies and crackers to illustrate the tales, with stop-motion photography. This campaign from Zig is the first time the 115-year-old company has done a corporate ad campaign.

TV wasn't originally in the campaign budget – the client wanted simple OOH and print efforts. But, Allan Mah, the AD/copywriter on the file, wanted to make sure his new tag would translate well for TV, so he mocked up a storyboard. CD Martin Beauvais was impressed, and encouraged him to present it to Dare. "The idea was so smart and sharp...I thought it was impossible for the [Dare] president to say no," recalls Beauvais.

Beauvais was right, and Dare prez Lee Andrews green-lighted extra money to do the TV spot instead of the other executions.

Mah says Dare plans to use the tag to promote its corporate responsibility/charitable functions down the road, too. The spots are running on Citytv stations across Canada as part of a year-long sponsorship of *CityLine* Tuesdays.

client: **Lee Andrews, president; Heather McTavish, VP marketing; Marie-France Gaudreau, senior manager, marketing services; Lori Bianchi, manager, corporate communications, Dare Foods**

agency: **Zig**

CD: **Martin Beauvais**

AD/copywriter: **Allan Mah**

team leader: **Natalie Calderon**

strategic planner: **Tania Gregory**

agency producer: **Sharon Nelson**

production house/animation: **Lifelong Friendship Society – Brooklyn NY**

executive producer: **Eva Preger**

animation director/producer: **Jason Jones**

animation: **Aaron Duffy**

colour artist: **Brian Close**

character development: **Aaron Duffy, Ly Ngo**

music & sound design: **Grayson Matthews – Toronto ON**

music directors: **Dave Sorbara, Tom Westin, Grayson Matthews**



PSA ELICITED PUBLIC 'HELP'

Bank robbers don't typically share their contact details mid-heist. Which is why Toronto Crime Stoppers needs help from the public, as illustrated in a new PSA that broke last month, featuring an armed robber barking out his address and phone number, as well as his cash demands. The tag is "Crimes don't solve themselves."

"We didn't want to do a typical PSA," explains Andrew Simon, SVP/CD, DDB Canada, Toronto. "We wanted something fresher, a bit more arresting...we wanted to dial up the intensity level."

While the idea of a criminal rattling himself out is amusing, Simon says they were careful to keep the tone sober. "We weren't trying to be funny. It's a very serious issue."

The phone numbers provided in the spot are active lines, complete with voicemail greetings from the actor who plays the robber. Simon says the lines have already received quite a few calls, mostly from young people telling the culprit to turn himself in.

The spot has already landed on bestadsontv.com, and has attracted attention from a Crime Stoppers chapter in Australia interested in adapting the commercial there.

Print, online and OOH will roll out during 2007. And, at press time, six radio spots were in production. One in particular should spark debate, as it tackles the prickly topic of child pornography.

client: **Lorne Simon, chair, Toronto Crime Stoppers**

agency: **DDB, Toronto**

CD: **Andrew Simon**

copywriter: **Shane Ogilvie**

AD: **Mark Bovey**

agency producer:

Andrew Schulze

prodco: **Untitled Films**

exec prod: **Aerin Barnes**

director: **James Haworth**

DOP: **Johnny Cliff**

editor: **Brian Williams,**

Panic & Bob

sound: **Paul Seeley,**

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CD Stephen Stanley at ssstanley@brunico.com, co-curators of *strategy's* Creative space.

Pass it on

Canada's WOM ROI earns its own budget line

◀ By Patti Summerfield ▶



People always have and always will talk about companies and brands. What has changed is how marketers can influence these conversations and better measure their impact.

Why is word-of-mouth so crucial now? Patrick Thoburn, cofounder of Toronto WOM outfit Matchstick, says it's because consumers don't trust companies. "A recent study from North Carolina-based Yankelovich saw that 76% of consumers don't believe that companies tell the truth in ads. That's why we're trying to leverage the conversations that take place among trusted friends within their social networks."

It's a given that peer-to-peer, third-party recommendation and endorsement of brands can be more valuable than paid advertising.

And while the ways and means we communicate may become less personal, human nature doesn't change. Whether it's via message boards or IM, people still share their opinions. Breaking through with mass media continues to get harder. But as cyberspace makes it easier to reach a wider audience via digital dialogue, word-of-mouth (WOM) is attracting big-name followers such as Unilever,

Procter & Gamble, Nokia, Philips and AOL. And that's forcing some science on the process.

organize, manage, and measure it," says Dave Balter, founder and president of Boston-based BzzAgent (bzzagent.com). "What we're talking about is helping marketers understand that this, as a media form, is able to be done in an extremely measurable way."

Becky Bolt, AOL Canada's senior manager of corporate communications, says the launch of its new AOL Radio service late last year was the perfect opportunity to explore the WOM marketing arena and start a conversation with consumers. It also wanted to be one of the first brands to harness WOM in Canada.

AOL's WOM program is part of an integrated effort that includes advertising, PR, and outreach to music blogs to promote AOL's free radio service, which offers 200 commercial-free channels. (AOL does place ads on the radio's onscreen tuner rather than within the content.)

The campaign involves 1,500 buzz agents. Five weeks into the 10-week run, Bolt says 1,600 buzz hits (brand conversations) were reported with 90% of the feedback very positive. In addition to spreading the word, AOL is finding that the WOM effort with BzzAgent is also a great way to fine-tune the new product. "It's also good to read the negative feedback so we can respond to it, or to make sure we're clearly communicating to the consumer that yes, this is really free – not free with an asterisk."

Bolt, happy with the results, says AOL will continue to use WOM as part of the mix for other web-based products.

Although many believe WOM is only effective for the introduction of new products or services, Balter says WOM is a strong

**A message coming from a consumer, a blogger,
is more attractive than a message
coming from Nokia**

"Any media form at this point has to have direct ROI. WOM has always been considered a viable concept. If you get WOM, that's wonderful. If you get positive WOM it's very good. What has changed is the capacity to

vehicle for providing continuing support of a brand, as evidenced by BzzAgent's North America-wide program (November and December 2006) for Philips' Sonicare electronic toothbrush.

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Above: BzzAgent provides its influencers with product samples but does not pay them. Below: The World Rock Paper Scissors Society event went global over five years through the powers of WOM

Since opening five years ago, BzzAgent has amassed a roster of 150 clients, conducted 260 WOM programs, and standardized its measurement process. Companies like BzzAgent recruit influencers who choose to take part in various campaigns but are not paid for their participation, although they receive a sample of the product they



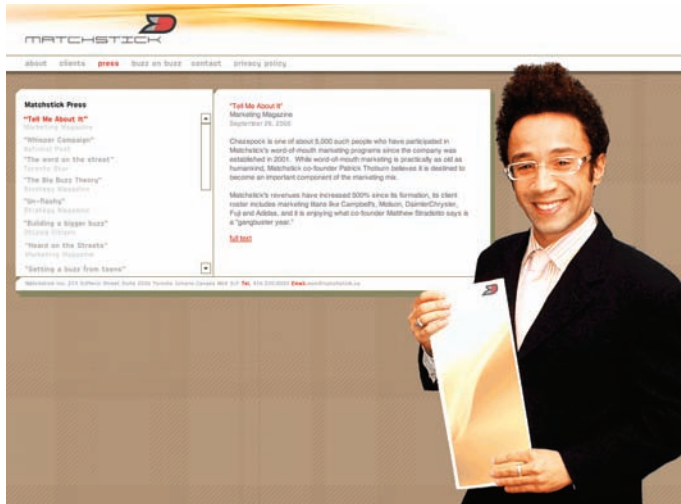
are evangelizing. They are provided with a guidebook describing the product but are not told who to talk to and what to say. During the course of a campaign agents send reports with their feedback – both positive and negative – and describe who, when, and where they have talked about the product with others. BzzAgent receives roughly 15,000 reports from its agents every week.



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Above: WOM expert Matchstick tries to overcome consumers' distrust of companies.
Below: Hellmann's used WOM to get customers to think of its product as an ingredient, not just a condiment

The company, which works with both U.S. and Canadian clients, currently has a director of business development based in this country, and is working towards opening a full-fledged office in Toronto. Last year they fielded campaigns in Canada for internationals including Procter & Gamble (Crest Whitestrips and Folgers), Penguin Books and Unilever. The company says their

foray into Canada is first and foremost because this country is an important market in and of itself. Secondly, they are positing that Canada might eventually emerge as a testing ground for European WOM efforts, as it may prove to more closely mirror E.U. diversity than the U.S. and for establishing ROI protocols.

Response factors include test and control scenarios to compare lift between markets with and without WOM. They can also measure and monitor the number of conversations taking place in the marketplace.

A third option is a rapidly growing concept called Net Promoter Score. Created by Fred Reichheld, a partner in global business consulting firm Bain & Company, and discussed in his book *The Ultimate Question*, the Net Promoter Score seeks to identify the likelihood of customers to recommend a product or service to others (netpromoter.com).

BzzAgent has standardized its measurement to include lift in NPS and a comparison of the client's post-WOM NPS against the national average NPS.

To illustrate, the agents involved with last year's Hellmann's (Unilever Canada) "Be Famous For Your Food" campaign triggered 142,000 conversations about the product. The objective was to change the perception of Hellmann's from simply being a condiment to also being considered a cooking ingredient. The agent guidebook was designed to help them find ways to cook with Hellmann's and share recipes with other consumers. The NPS for the Hellmann's brand following the campaign was 72, considerably higher than the industry average.

These kinds of results are fostering brand bravery. As a test, Nokia Canada staged a WOM campaign that wrapped in October and was the sole medium used to get the word out about the Nokia 6682 model. Mila

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Mironova, Nokia's marketing communications manager, says the WOM effort through Matchstick, "was kind of an experiment for us. We hadn't tried this type of marketing before but we were certainly aware that with media fragmentation, it is getting harder to find that elusive consumer in front of a TV, or in front of newspaper. We thought for our products, which are convenient for seeding, we should try to put the control with the consumers. A message coming from a consumer, a blogger, is more attractive than a message coming from Nokia."

Campaign participants were chosen on the basis of blog popularity and social influence with a wide network of contacts. They were each given a Nokia 6682 phone and encouraged to disclose that fact whenever they mentioned the product.

The campaign resulted in 90% of influencers (bloggers) posting at least one photo taken using the Nokia 6682 handset, 43% posting at least one video taken using the handset, and 83% of the bloggers indicating they would recommend it to others.



Above: AOL launched a radio service, using WOM to converse with consumers. Below: WOMMA is charting WOM standards

The WOM test passed muster as a true brand-building exercise for Nokia, says Mironova, and the phone continues to be a good performer for the company. Consequently, she expects that WOM will become a permanent element in future campaigns.

Andy Sernovitz, founding CEO of U.S.-based industry association WOMMA (womma.org), says most companies already have proof that WOM works, they just don't realize they've been tracking it all along.

"They probably have a report that tells them where their business is coming from – TV ads, print ads, sales and other categories. Everything else is WOM. I call it the hidden statistic. It's always been there in your existing sales. You forget to put it on the spreadsheet because you're not spending any money on it. When you start understanding and tracking it, you realize you've

always been getting 20%, maybe 30% of your business from WOM."

Doug Walker, interactive strategist at TBWA\Toronto, got his feet wet in WOM when he launched the World Rock Paper Scissors Society with his brother about five years ago. The fifth annual world championship held this past November in Toronto attracted attendees from around the world.

"All the buzz and interest has been generated solely through WOM. At this point we're now selling out all of our events with people travelling from the four



corners of the globe for what it is in essence a tongue-in-cheek, fun event."

He says one example of how to do things right was when Boeing, for the launch of its 777, invited influential bloggers to their facility to see the plane. They treated the bloggers like press and as a result a lot of the buzz they received was positive for Boeing as well as the product.

Walker says he's doing a lot of internal evangelization about WOM at TBWA. He's heard of clients including WOM as a line item on their 2007 budgets, but that's not really the way Walker would approach it: "With each tactic or strategy, consider the WOM applications as each one rolls out, rather than treating it as a separate channel. WOM should permeate everything you do so it has to be taken into consideration every single time you're communicating to people." ■

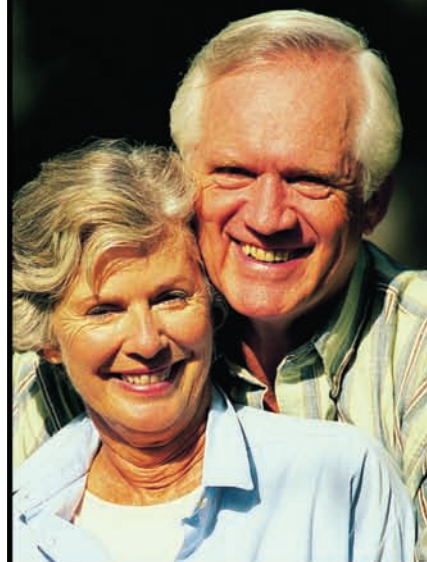
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*Legion Magazine 2006 Readership Survey

Alternate reality games suck consumers into your brand's world

◀ By Annette Bourdeau ▶

Imagine having millions of consumers worldwide live, breathe and even become obsessed with one of your ad efforts for weeks at a time. That's the goal of a new alternate reality game (ARG) that 42 Entertainment unleashed last month to build up to the launch of the new Microsoft Vista Operating System.

This new genre has been facilitating impressive interaction for big clients such as Microsoft, Warner Bros. and P&G by creating elaborate mysteries for participants to unravel with clues planted via websites, phone calls and even live events.

While most ARGs are designed to be collaborative, the Vista effort will be competitive because it targets the very technologically sophisticated, people who are able to decode embedded clues around the world. The game kicked off in January by hijacking the Bellagio Fountain in Las Vegas during the Consumer Electronics Show, projecting the image of a mysterious woman onto the fountain to spark interest in the ARG. Physical clues will also be deployed in Sydney, Frankfurt and Singapore, using a range of techniques, from fireworks to skywriting.

Prior to kickoff, sites for fans of ARGs had begun to buzz with speculation of the new game's existence, based on a mysterious message posted on the news section of MSDN (Microsoft Developer Network) IE Blog. Cybersleuths had already discovered cipher codes, a link to the website Vanishing Point, a strange countdown clock, a video on YouTube, and other clues all meant to augur a complex riddle.

The first mainstream ARG, called "The Beast," was developed by Microsoft in 2001 to generate hype for the Warner Bros. movie *AI*. Consumers were drawn into a "murder mystery" narrative via three entry points: a fictitious credit on posters and movie trailers, a phone number in trailers, and a hidden message on select posters. Observant consumers went to their computers and phones to check out the mysterious oddities, and then got sucked into the mystery.

"We had originally hoped a couple hundred thousand people would get involved...we had three million active participants," says Jordan Weisman, who led the project while he was Microsoft's CD, adding that the frenzy created by the ARG landed a lot of mainstream press coverage by outlets like CNN, *Time* and USA

launch of Microsoft's Halo 2. It was a radio documentary based on Halo storylines, delivered via ringing payphones around the world. Players could find clues online or collaborate on message boards. The effort attracted 750,000 active participants, and another 2.5 million casual players, not to

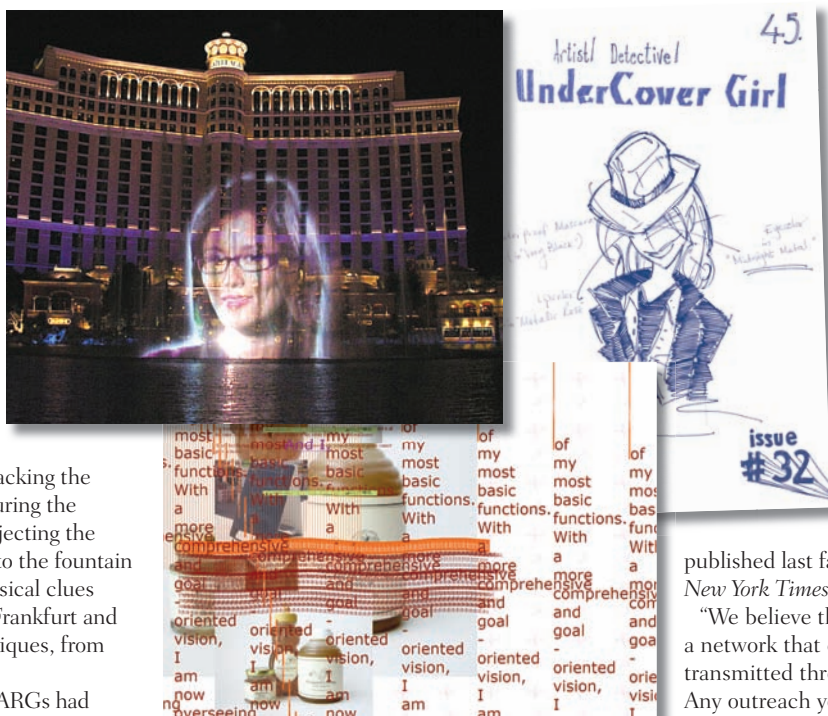
mention coverage in the *New York Times* and on CNN. Last year, P&G sponsored the ARG *Cathy's Book*, which spread excerpts of a young adult novel across various websites. The game also involved cell numbers to call for clues, and created MySpace pages for the lead characters. The diary-style book appeals to teen girls, so P&G tied its CoverGirl and feminine hygiene brands to the ARG-related web pages. The book, written by Weisman and Sean Stewart, CD/story director at 42 Entertainment, was

published last fall and landed on the *New York Times* bestseller list.

"We believe that every company has a network that entertainment can be transmitted through – print, TV, packaging. Any outreach you do is an opportunity to release content," says Weisman.

Weisman says the cost to build branded ARGs varies greatly, from hundreds of thousands to millions of dollars, depending on the scope. "You need to be a brand that's willing to take risks."

If crafting an elaborate ARG isn't in the cards – or your marketing budget – another way to reach enthusiasts is by advertising on sites dedicated to discussing the genre. One such site is ARGNet, at argn.com, which is based out of La Broquerie, Man. It has an average monthly traffic of about 15,000 unique users, but that spiked to 30,000 at the height of the big "Art of the Heist" ARG in spring 2005. About 70% of visitors are from the U.S., 10% from Canada and another 10% from the U.K. Advertisers can go through Blogads or Google AdSense to buy space on the site. ■



Huge projected images, fireworks, skywriting create interest in ARGs

Today. "These three million people created over 300 million impressions for the film."

Following the runaway success of "The Beast," Weisman left Microsoft to launch his own agency, L.A.-based 42 Entertainment, which creates ARGs for marketers eager to get their brands noticed by jaded consumers who've become oblivious to traditional advertising. "There was a shift from a push-based marketing system to a pull-based system," notes Weisman, explaining the insight behind ARGs. "[Marketers] should hide things and whisper and allow the audience to find them."

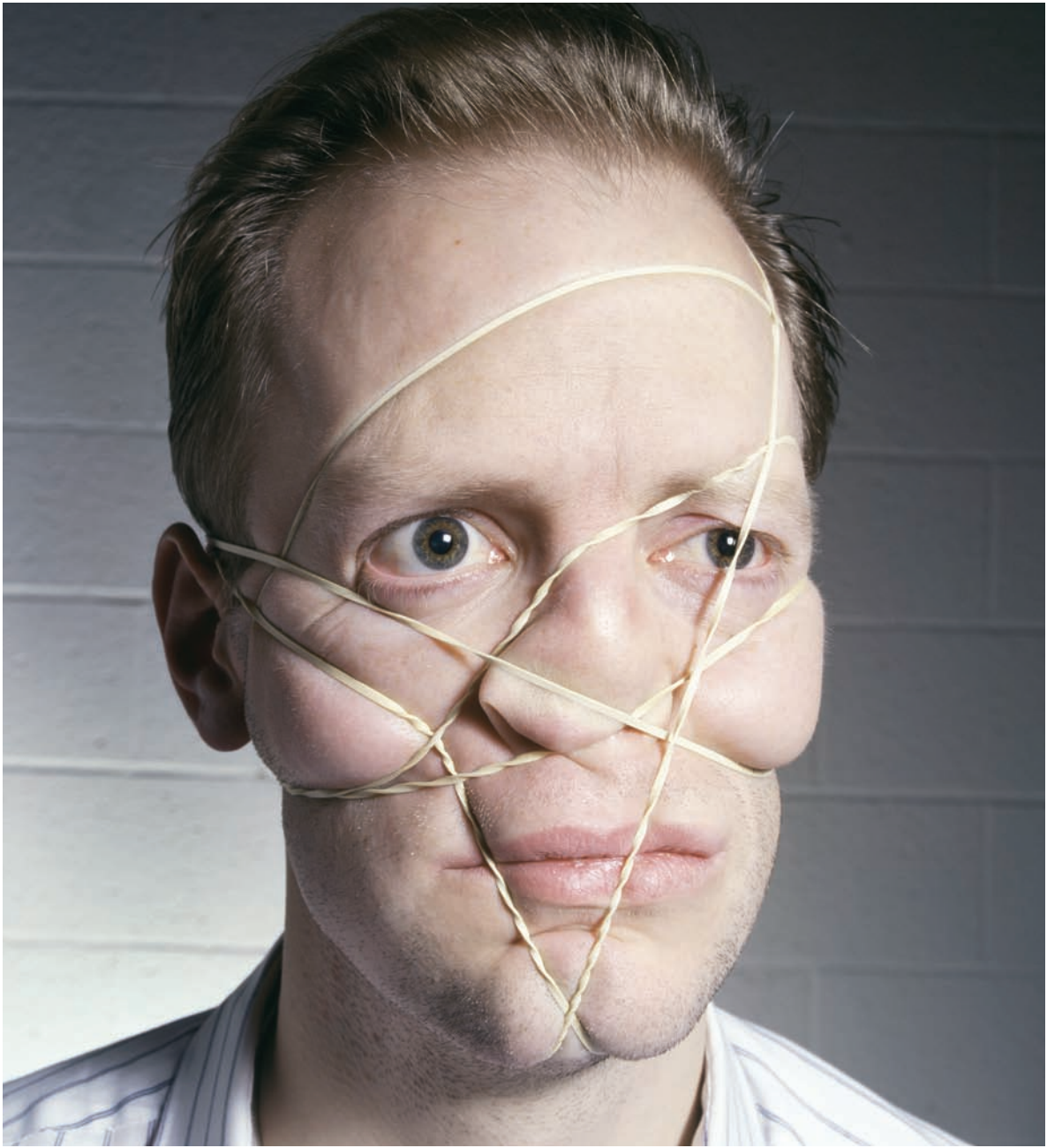
42 Entertainment also crafted the offbeat ARG "ilovebees," teasers leading up to the

They started out as simple newsprint circulars delivered door-to-door across a wide range of residential neighbourhoods. Decades later, the flyer industry has effectively reinvented itself, bearing little likeness to the mass-market, mass-distributed medium it once was.

SPONSORED SUPPLEMENT **THE FUTURE** **IS IN FLYERS**

"There is an imperative to get away from the sort of shotgun approach to a more rifle approach," explains Ed Strapagiel, executive vice president of Kubas Consultants, a market research firm specializing in the retail sector. "You can now actually do these things much more easily than was possible even five years ago."







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Strapagiel is talking about the micro-targeting that has become part and parcel of modern flyer distribution. Cutting-edge analytic software has made it possible to target households right down to the postal code, while retailers are able to provide unprecedented demographic information on their customers via their own databases and loyalty programs. Versioning – producing unique versions of flyers targeting individual households or demographic groups – is just one of many budding trends to have emerged from these developments, allowing retailers to bump up ROI dramatically.

Meanwhile, flyers themselves are more glossy, sophisticated and diverse in their information offering. Just have a look at the polished editorial booklets put out by Ontario's Liquor Control Board (LCBO) or Loblaws' upscale PC brand. The outcome? The flyer industry has grown into a \$2 billion dollar trade in Canada, and it's showing no sign of slowing down. Quite the opposite: flyer volume is going up yearly by about 5.5 per cent. "The industry is as big as radio, and bigger than magazines," says Strapagiel. For retailers, he adds, "flyers are still their number one shopping information medium." While flyers may not be the sexiest medium around, they do the job, and they do it amazingly well.



METROLAND: A trusted source

Metroland Media Group has been delivering flyers for more than 25 years. Many are inserted into its 100 community newspapers, a trusted source of information for more than two million households in Ontario. Studies show that local papers remain the best vehicles for delivering flyers.

"The majority of Metroland customers prefer to receive their flyer in a Metroland newspaper," confirms Kathie Braid, the company's vice president of marketing and corporate sales, citing statistics from a Metroland readership survey. "The flyers arrive to the door, they are convenient and they are part of a trusted source of editorial."

Eighty per cent of Metroland customers queried in the 2005 study said store flyers were their number one source of shopping information. Metroland advertising clients tell the company that flyers remain their best tool for getting the highest return. "Our customers tell us that flyers are their number one ROI of all mediums," says Braid. "Flyers are the ones that make the cash register ring."

But making the cash register ring is about more than just blanket distribution of flyers across the Metroland network. Like most distributors, Metroland has had to continually deliver more finite targeting services to its clients. It does this through its own proprietary delivery system, which can target down to

a route level of 50 households.

"That's pretty small targeting," says Braid. "Customers can target by LDU (local distribution unit). They can target right down to 50 households and that is absolutely critical these days."

As to the looming threat of electronic alternatives like e-flyers, once hailed as marking the end of the ubiquitous paper circulars, they haven't exactly edged out paper flyers. According to Braid, e-flyers complement, rather than replace, traditional flyers. They also fall short of the mark in mass marketing campaigns. "(Paper) flyers are intrusive, so they can attract new or lapsed customers," explains Braid. "Mass marketing of flyers allows that intrusion. Electronic methods do not."

Judging by the steady expansion of Metroland's flyer business, Braid is not speaking off the cuff. The company has experienced impressive year-over-year growth in its flyer distribution, with pieces up about five per cent in 2006. It has also seen more diversity in companies investing in flyers, such as car manufacturers Mercedes and General Motors. As well, clients are beefing up the creative element of their flyers, opening the door to yet more opportunities. "Advertisers are becoming more sophisticated with the look of their flyers," says Braid. "They are not just listing price points. Flyers are projecting the image of their store and the merchandise they carry."

RAISING THE RETURN

For many advertisers, flyer strategy comes down to two words: precision targeting. And it's this type of the targeting that Metroland provides, say many of its clients.

"We want to target flyers better. That's really what it's all about," sums up Tom Andrew, director of print distribution for Sears Canada, a Metroland customer.

Instead of a mass-market approach, shipping flyers to every possible household, Sears can send a specialized flyer to select areas, even to individual postal codes. "We can understand what the customer's demographic is and what their spending habits would be," says Andrew. "So that allows us to get a better

return for each flyer we distribute."

In 2007, Sears plans to further narrow its targeting with Metroland, directing highly specialized flyers to very specific neighbourhoods. A send-out focusing on fashion, for instance, would be distributed in a downtown urban centre like Toronto while something altogether different would reach rural areas.

"We want to be able to get an improved ROI on each flyer that is distributed in the Metroland footprint," says Andrew. "They have the capability of targeting right down to the six digits of the postal code, and that's our interest as well."



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SUN MEDIA: Building on partnerships

As one of Canada's largest newspaper publishers, Sun Media boasts an extensive network of dailies and community papers from coast to coast. Given the increasing complexity of distributing flyers, building a good relationship between advertiser and distributor becomes all the more critical.

"You've got an analytic aspect – taking data and consumer information – and then you've got the execution, delivering it to a specific audience," comments Jim Dale, national sales manager at Sun Media Corp. "There has to be a partnership between both the distributor and the retailer, and this is where the industry is growing."

What's more, clients can take advantage of one-source invoicing, dealing with just one contact for the assorted Sun Media markets. There are also further services provided by other businesses in the Quebecor family, ranging from web development and prepress work on flyers, to tying in flyer programs to websites like canoe.ca. "We can provide a multitude of services, and the client can then use their buying power to get the best rates across all of our services," says Dale.

They acknowledge the growing importance of the Internet in the flyer industry, and parent company Quebecor has made a particular commitment to providing necessary services and expertise to companies interested in developing this side of their business.

Not that anyone expects the paper side of the industry to slow down. "The flyer industry, as a whole, is a multi-billion dollar industry," says Dale. "It conveys the message in a fairly inexpensive way, and the returns to advertisers from flyers are enormous compared to other media."

PUBLISHING POWERHOUSE

Sun Media Corporation, a division of Quebecor Media Inc., is the largest publisher of tabloid newspapers in Canada. Attracting a group of young, active Canadians, each Sun Media urban daily is read by a larger proportion of adults under the age of 50 than its competitor.

As Canada's second largest newspaper publishing company, Sun Media has daily newspapers in nine of the country's top 10 markets. It publishes a total of 22 dailies and more than 170 community weeklies and specialty publications. Each week, more than ten million Sun Media newspapers are distributed from Vancouver to Quebec's Gaspé Peninsula.

The corporate sales office of Sun Media is committed to working with clients to deliver innovative advertising programs and develop initiatives designed to expand their business and consumer base.

NETMEDIA: A true solution provider

"Netmedia is a solution provider for clients that distribute beyond just the Sun Media markets," says Jim Dale, general manager of Netmedia Distribution. "Our 20 plus years of expertise in geodemographic targeting is second to none; paired with our media partners, we can provide a total solution to our clients at attractive rates."

Netmedia works with clients to develop programs to reach specific consumers, be it those with a propensity to travel, play golf or buy technology. Advertisers can benefit from their analytic expertise. "We can develop a more focused program for them and certainly advise on areas of distribution or coverage, areas to eliminate or increase, based on all the information available," explains Dale. Netmedia works with many national retailers providing them with the tools to grow the return on investment for their valuable advertising dollars. "We understand the cost of producing inserts; after all, our parent company is Quebecor," explains Dale. By working with their print and distribution partners, they can deliver a program to their clients that saves them money and delivers the ROI they are looking for from their advertising budget.

So what makes Netmedia so successful? "We are the original distribution management company. No one can bring the total package of goods to the table like Netmedia," says Dale. "Our strongest advantage is our size. As part of Quebecor, this gives us the leverage to bring our clients the solutions they require at a price no one can touch. That is a powerful argument for companies of any size," Dale explains.

Netmedia provides distribution of everything from addressed delivery of catalogues, door hangers, poly-bags and product samples; the possibilities are really unlimited.

RELIABLE DELIVERY SOLUTIONS

Netmedia provides customized national distribution solutions through its network of more than 900 distributors, selected from dailies, weekly newspapers and private distributors. Altogether, it delivers to more than 11 million households.

This network has been refined over the past 20 years, offering extensive penetration and customized targeting capabilities that result in cost effective, reliable delivery solutions. Many of Canada's top retailers utilize Netmedia's end-to-end print, distribution and fulfillment services, provided in partnership with parent company Quebecor.

Netmedia's GIS mapping and analytics expertise delivers precision targeting, mapping and routing services customized to meet campaign objectives. It can target, distribute and help manage all aspects of flyer, catalogue, door-hanger or product sample distribution needs.

TRANSCONTINENTAL: Going beyond distribution

These days, flyer distribution is about a whole lot more than just distribution. According to Ronald Roy, account director at national sales at the Transcontinental Media Distribution Group, it comes down to helping advertisers get their message out in the best possible manner.

"We are not just distributors," says Roy. "We can offer so much more when it comes to targeting and planning the distribution and offering something different."

Like many distributors, Transcontinental provides extensive analytic and geomarketing services. "We use PMB, we use Statistics Canada, and we work a lot with our customers with their own information from credit card and loyalty card sales," says Roy. Customers include Toys "R" Us, Walmart, The Brick, TD Bank and Rona, as well as all of the food and pharmaceutical retailers.

In Quebec, where Transcontinental distributes to 100 per cent of the market, flyers arrive in the company's own branded Publi-Sac (www.publisac.com) – a recyclable plastic poly-bag. "Everyone knows Publi-Sac in Quebec, so there is already awareness from the consumer," says Roy. "People expect that bag. They want it and they ask for it." In other parts of Canada, the company manages distribution through 900 different distributors (www.canadianmedianetwork.com).

Aside from having their flyers delivered in the Publi-Sac bag, clients can also advertise their products right on the bag itself, or purchase their own exclusive bag just for their flyers. This feature has been used successfully by many customers, including Procter & Gamble and Unilever. “Competition is ferocious and everyone is trying to find that little element that is going to make them stand out,” says Roy.

Transcontinental also comes out with four special themed bags each year, timed to coincide with the spring, fall and Christmas periods, as well as a home-improvement edition in March. These special-edition bags are filled with flyers that play on the chosen theme, such as flyers touting products tied to yard work in the spring edition and back-to-school items in the fall one.

The bags are a huge draw for advertisers and have turned into a much-anticipated delivery for the buying public. They get plenty of pre-delivery exposure through ads placed on radio, TV and in Transcontinental's own magazines. They also contain a special flyer, produced by Transcontinental, for those companies interested in taking out a smaller ad on its pages.

Transcontinental's flyer distribution business is steadily increasing, between five and seven per cent a year on average. Roy attributes the rise to a heightened awareness among consumers of their purchasing habits. "Today consumers are more intelligent buyers and they need to be informed," he says. "Flyers have proven to be the best way to inform them about what's available."

ON THE NET

While some distributors dismiss the electronic potential of flyer distribution, the Transcontinental Media Distribution Group embraces it.

With a recognizable Publi-Sac brand – the moniker given to the company's poly-bag filled with flyers – Transcontinental has taken its popular brand online for its Quebec market. Its website, publisac.ca, is chock-full with useful retail information, including electronic versions of the paper flyers that the distributor delivers door to door.

"More and more people are spending time on computers," says Ronald Roy, account director at national sales for the Transcontinental Media Distribution Group. "And we, as distributors, need to be ready for it."

Paper flyer customers can post their flyers on the site and upload links to their websites, as well as special links for coupons and gift certificates.

Publisca.ca averages about 250,000 hits per month, and to date 112,000 visitors have signed up for the weekly e-newsletter. The numbers, says Roy, have grown steadily since the site was first launched three years ago.

**WE'RE THE
ONES THE
COMPETITION
KEEPS TALKING
ABOUT.**

*We're the ones the competition
keeps talking about.*

[illegible]

*We're the
ones the
competition
keeps talking
about.*

[illegible]

**“Finally,
some good news
about Québec”**

We're the ones the competition keeps talking about. We're the ones the competition keeps talking about. We're the ones the competition keeps talking about. We're the ones the competition

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We're the ones the competition keeps talking about. We're the ones the competition keeps talking about. We're the ones the competition keeps talking about.

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THE FUTURE SPONSORED SUPPLEMENT IS IN FLYERS

GEOMEDIA: Real flyer media management

Retailers are clearly keen on squeezing the most out of their budgets. The upshot of this is that they want even more micro-targeting to seek out specific households and demographic groups for their flyers. Geomedia, a Toronto-based company specializing in flyer distribution analysis and management, has seen this trend gain speed firsthand.

"The vast majority of flyer advertisers have either become more sophisticated in how they manage flyers, or at least have a plan in place to become more so," says Steve Acland, Geomedia's vice president. "Also, virtually all advertisers now understand the value in leveraging their customer data."

Geomedia has been servicing many of the country's top retailers, including The Home Depot, The Source by Circuit City, Staples Business Depot and Sears Canada, for more than 10 years. The company provides the analysis research and media-buying services that allows clients to pinpoint the right households for their product.

For one national retailer, Geomedia trimmed down its core weekly flyer distribution, and then diverted the savings into new specialty high-end glossy print vehicles steered to specific households in high-value neighbourhoods. They also started targeting completely new territories using consumer cluster analysis.

"We are a true flyer media management company that does the customer analytics work matched to media geography," comments Acland. "Half the battle is doing the geography ranking – determining which neighbourhoods should get what quantities – and then the second part is figuring out what the best newspaper or distribution vehicle is in any given market."

However, increased demands for this sophisticated approach to flyer management has led a number of wannabe companies elbowing their way into the market, often without the necessary expertise. Says Acland: "Everyone wants into the game. More and more service providers are adding flyer management to their repertoire."

Printers, newspaper groups and creative agencies are now selling mapping and targeting services, while analytic companies are scrambling to learn how flyers work. It is not possible for a company that owns media properties to make unbiased media decisions. Choosing the right service provider in this increasingly complex maze can be a challenge, says Acland. In many cases, it is a case of buyer beware.

"It can be difficult for an advertiser to see which companies are the real professional flyer managers," explains Acland, "and which ones just list flyer distribution targeting and management services as an add-on to some other core business."





PROCURING A FLYER MEDIA AGENCY

Flyer distribution analysis and management is complicated work, says Steve Acland, vice president and managing partner at Geomedia. He offers the following questions you should ask to ensure you find the right partner to provide these necessary services:

- Is the company is not affiliated with a media group? It would make it difficult for them to remain unbiased in their media selections.
- Will they bill the media rate to you at net? A good media agency will charge a fee for service and not mark up the media rates or create a "blended" rate across markets.
- Does the company have national advertising clients? Be aware that some companies with national clients do analysis or management for only a portion of the markets.
- How many media planners and analysts do they have on staff and what is their process?, Are they really ranking media geography, or just postal codes?
- Does the company have a complete national database of all routes for every newspaper and distributor? Circulation numbers are not enough.
- What secondary data do they have to augment your targeting?. Do they conduct analysis of consumer clusters and consumer spending potential? If so, is it at the postal code level?.
- Bottom line - is flyer targeting and management their core business?

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ALEX MEDIA: Taking advantage of technology

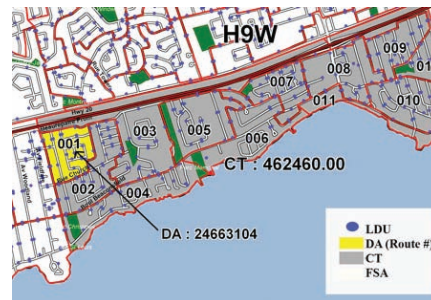
There are still some cynics who view flyer distribution as an antiquated industry. Alex Media Services is on the verge of changing that perception. The Montreal-based distributor is already ahead of the game with its patented GPS verification process, called MapTrack™. Early this year, it will post the system online in real-time, offering clients unprecedented and immediate access to distribution information.

"Going live is going in the direction of modernizing the industry," says Benoit Dessureault, president of Alex Media, which delivers to 1.5 million doors in the Montreal and Quebec City area, with new territories planned for this spring. "The image of a low-tech industry is changing."

Dessureault likens the new MapTrack Live™ system to that of courier companies that provide tracking numbers with online tracking availability. Offering a similar degree of transparency, says Dessureault, guarantees that distribution standards will be met and allows advertisers to make sure their flyers are reaching the right households, at the right time.

"Since there is a satellite trace on it, you can't cheat," says Dessureault. "The old system of telephone verification is time-consuming and largely inconclusive because it can't provide an accurate picture of what goes on during distribution."

Alex Media's MapTrack™, which relies on on-site supervisors carrying handheld GPS devices, presents results online in a street-map format. This allows clients to see everything visually, from forward sortation areas (FSAs) to dissemination areas (DAs). It also provides



information on times, dates and speed of delivery, as well as broad data analysis.

"It's not just an audit," underlines Dessureault. "It's using the speed of the Internet for practical purposes." The flyer industry may still rely on traditional distribution methods, but at Alex Media, there's nothing antiquated about them.

FOCUSED FLYER APPLICATION

By providing accurate online access to distribution patterns, Alex Media lets clients execute some pretty challenging distribution strategies, right down to cherry-picking new distribution routes on a weekly basis.

"The Source, for instance, changes its distribution patterns almost weekly, and they use the smallest available geography," says Benoit Dessureault, president of Alex Media Services. "They can efficiently deliver a territory with significantly less flyers."

The Source selects small dissemination areas (DAs) corresponding to just one carrier route. "They pick and choose each individual route, and that's done on a weekly basis," says Dessureault. "They are using the targeting capability (we offer) to the ultimate."

"Each of our clients has a unique distribution pattern corresponding to its particular sales and data analysis. Of course, the whole data analysis strategy would be lost if we inserted all of our flyers into the same vehicle," explains Dessureault. "But at Alex Media, all flyers are delivered free-standing."

Much of this micro-targeting is possible thanks to Alex Media's GPS-based MapTrack™ system. It provides a higher degree of accuracy during the whole distribution process.



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- Fortune Magazine, January 2006

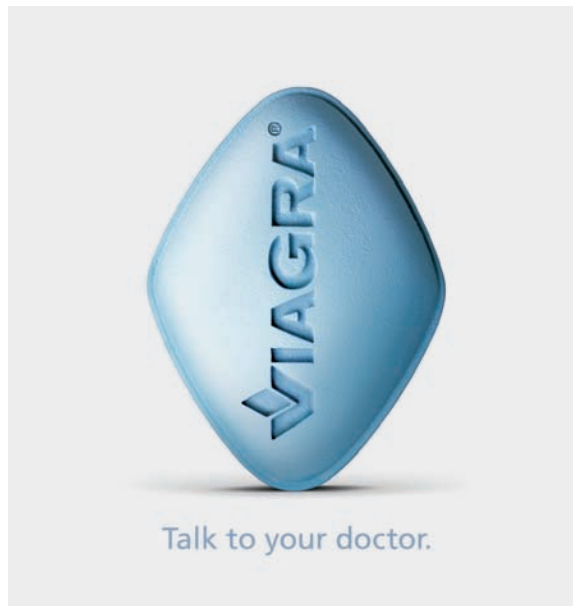
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Creative REPORT CARD



PILL POWER: Showing its resilience, Taxi's work for Pfizer shares the Top Client title this year, up from last year's sixth place position

SIMPLY, THE BEST

This one was a doozy. Counts, recounts. Flips and slides. The race, as the numbers suggest, was a tight one. With the dust now settled, it's clear that this was the year of the upset: New Top CD, Agency, Copywriter and Client winners (in fact it's a tie) with only last year's Art Director champ reclaiming his title.

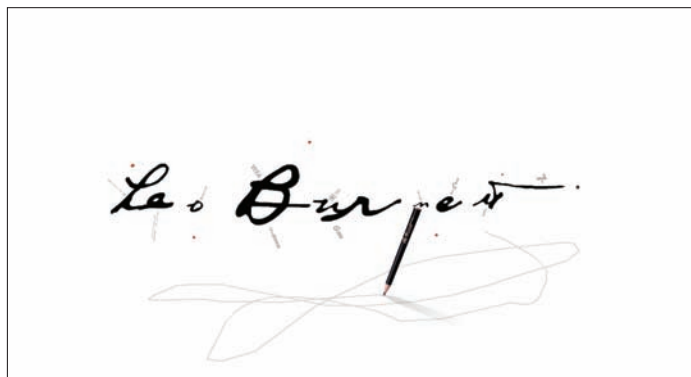
So with new victors comes an expanded format. We get up close and personal with the best of the bunch as well as the Runners Up in each category (and invite you to go online to see their full – and often funny – responses). We also list the Top 20 in each category, but for the complete list of all the year's very deserving winners, please visit strategymag.com. And remember, we're only the messenger.

◀ By Natalia Williams ▶

Lists compiled by David Spevick

Leo Burnett/Pfizer

Agency as client: Leo Burnett's big, Big Pencil

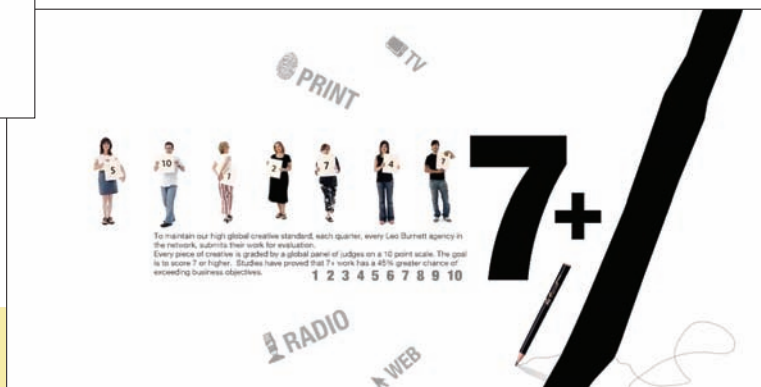


Back in November, during the opening skit for *strategy*'s Agency of the Year festivities, MC Chris Pastirik, Dentsu's strategic catalyst, quipped: "In a bold move, Leo Burnett has fired all their clients citing their recent success designing their own website. Quote, 'Leo Burnett likes Leo Burnett as a client because Leo Burnett lets Leo Burnett do whatever Leo Burnett would like.' End of quote."

He was partly right. The site's success has bode well for the Toronto office (D&AD fittingly awarded it a Black Pencil), injecting a massive dose of creative credibility. The agency-as-client model also resulted in a tie for Top Client,

Top 20

Leo Burnett Canada	83
Pfizer Canada	83
Science World	80
BC Dairy Foundation	77
Ikea	75
Nike Canada	72
Mini Canada	61
Royal Ontario Museum	57
Canadian Film Centre	50
United Way of the Lower Mainland	48
Kellogg Canada	44
Royal BC Museum	35
The World of Comedy Film Festival	31
BC Lions	28
Greengate Garden Centres	28
Irving Oil	26
W Network	25
WWF Canada	24
Labatt Breweries	23
Assaulted Women's Help Line	21



a Creative Report Card first. The other Top Client was Pfizer.

"We were pretty surprised," says president/CEO David Moore of the accolades upon the site's launch in August 2005. His personal fave is the Black Pencil because the competition included a range of designers. "We were up against the iPod Nano."

"The genesis of all this was that we were tired of being embarrassed about our website," says Israel Diaz, CD. "[So] we treated ourselves as a real client: We had an account person on it, we had brainstorm meetings."

And real deadlines. The site's unveiling coincided with the quarterly meeting of about 30 managers and CDs from Leo's global offices held in Toronto. Diaz says it was the reaction of Leo's top execs to the site's simple but contemporary design (which harkens back to founder Leo Burnett's penchant for the big, black pencil as creative catalyst) that made them realize it was a winner.

All interactive was led by the agency's digital arm Arc Worldwide, Toronto, and Toronto is now responsible for content management of the Leo Burnett site globally. "The black pencil has become the icon for the agency everywhere," says Moore, a shift away from the apple and the hand reaching for the stars logos.

Runner Up



Science World

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Taxi

The winning ride continues



Having lost *strategy's* Agency of the Year crown in November, which ended an enviable four-year reign, this honour may help fill the void. (A 14th place ranking in the 2006 Gunn Report – a first for a Canadian-founded agency – is likely helping as well.)

In our Canadian version of the Gunn, Taxi's inaugural first-place finish was buoyed by international wins for clients Mini Canada and Pfizer at Cannes and The One Show, which allowed the agency to finally snatch the title from nine-year champ DDB Canada.

In addition to the award show hauls, 2006 also saw the Montreal-based shop open more offices (Vancouver and Taxi 2, a second Toronto office), score new clients (Molson Canadian and Discount Car Rentals), and hire top talent (including John Berg from Bulldog NY as president of Taxi NY).

So what does '07 hold? "I'm looking forward to shaking things up a little," says VP/ECD Zak Mroueh. "Right now, we're developing our first music video for a band which is very cool. We'll also be doing the branding."

"It's going to be an exciting year," he adds. "With six offices, we are now officially a network, but not in the traditional sense. We get to control our own destiny."

Top 20

Taxi	380
DDB Canada	365
Rethink	340
Leo Burnett Canada	177
Zig	127
BBDO Canada	84
John St.	62
TBWA\	62
Lowe Roche Advertising	56
MacLaren McCann	43
Bos	40
Diesel (now Sid Lee)	38
Target Marketing and Communications	37
Bensimon Byrne	35
JWT	35
Extreme Group	29
Ogilvy & Mather	29
Foote, Cone and Belding	28
Dentsu Canada	27
Publicis	27

Runners Up



DDB Canada



Rethink

Zak Mroueh, Taxi



Years in the business: 19

Big clients: Telus, Canadian Tire, WestJet, McCain, Pfizer, Molson

Which award were you most happy to receive?

I was most happy with our showing on the Gunn Report. It means a lot since it's a tally of all the international shows, not any one award in particular.

Which of your campaigns are you the most proud of?

I was very pleased with where we've taken the Canadian Tire work after year one. It was a big challenge and I think we're making some nice headway on that brand.

What was your favourite campaign over 2006?

I was a big fan of the Lynx Jet work last year. At its core was a big, "campaignable" idea that worked across all media. It was a brave, refreshing way to launch a new product.

Is there a creative trend you'd like to see disappear?

We're all tired of seeing posters that are pretending to be print ads. It's become a real format. These types of ads have little substance and often don't even divulge basic information about the product or offering. Even a phone number or web address would be nice.

Top 20

Zak Mroueh, Taxi	345
Chris Staples, Rethink.....	336
Ian Grais, Rethink	336
Alan Russell, DDB.....	219
Lance Martin, Taxi	179
Judy John, Leo Burnett.....	150
Andrew Simon, DDB.....	143
William Hammond, DDB (now Goodby)	136
Elsbeth Lynn, Zig	127
Lorraine Tao, Zig	127
Israel Diaz, Leo Burnett.....	85
Shirley Ward-Taggart, Leo Burnett	81
Christina Yu, Lowe Roche	54
Steve Mykolyn, Taxi	52
Dave Douglass, Taxi (now Cossette)	48
Geoffrey Roche, Lowe Roche	48
Laurent Prud'Homme, BBDO (now Cossette).....	48
Pete Breton, Taxi (now Cossette).....	48
Angus Tucker, John St.	45
Stephen Jurisic, John St.....	45

Runners Up



Ian Grais and Chris Staples, Rethink

Years in the business: 14 and 24, respectively

Big clients: A&W, BC Lions, Solo Mobile, Coast Capital Savings, Science World, Sobeys

What was your favourite campaign over 2006?

Ian: The Red Bull Flugtag events and the Familiprix campaign are two that I wish I'd done.

Any sage advice to pass on?

Chris: Make it a habit to leave the office before 6 o'clock. Invest time in your personal relationships and outside interests. Your life will be better. And so will your ads.

Alan Russell, DDB Canada

Years in the business: Er, four, in cat years

Big clients: B.C. Lotteries, Telus, B.C. Hydro, B.C. Dairy, Boston Pizza

Daft new marketing trend?

Egg-vertising. Aircsickbag-vertising. Manhole-cover-vertising. There is such a thing as advertising pollution.

What's the best advice anyone ever gave you?

"Sapientia Non Vi" – wisdom not force.

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James Lee, DDB Canada



Years in the business: 11

Big clients: BC Dairy, ICBC

Which award were you most happy to receive?

A Cannes Lion is always kinda nice.

Is there a creative trend you'd like to see disappear?

Short film/murder mystery/soap opera websites that turn out to be sponsored by Audi or Pampers or whatever. Yuck.

Your pick for daft new marketing trend?

I was sitting at the beach on a crowded summer day. In the distance, a massive ad was floating by for our collective enjoyment. Didn't quite turn out that way. Everyone at the beach was outraged. We're trying to put ads everywhere and make ads out of everything. Escalators. Toilets. YouTube. iTunes. MySpace. The beach. Just because you can, doesn't mean you should.

Who is/has been your creative mentor?

Guys I know: My dad. Geoff Roche. Dave Crichton. Ron Woodall. Mike O'Reilly. Chris and Ian and Dean and Paul and Al and Cosmo and Joseph.

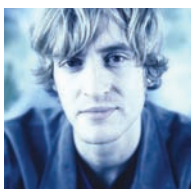
Guys I don't know: Stanley Kubrick. Terrence Malick. Francis Coppola. Walter Murch. The Mercury 7 astronauts.

Fat guys: Marlon Brando. Orson Welles. Cosmo. Frank Black.

Top 20

James Lee, DDB	117
Rob Tarry, Rethink	104
Bryan Collins, Rethink	93
Irfan Khan, Taxi	84
Len Preskow, Leo Burnett	81
Arthur Shah, Leo Burnett (now John St.)	78
David Ross, DDB	76
Kevin Rathgeber, DDB	73
Joseph Bonnici, Taxi	69
Craig McIntosh, Taxi (now BBDO)	57
Bob Simpson, Rethink	56
Ryan Wagman, Taxi	55
Chris Hirsch, John St.	54
Steve Persico, Leo Burnett	52
Jono Holmes, Rethink	47
Jonathan Careless, Taxi (now TBWA\)	45
Jason McCann, Taxi	41
Judy John, Leo Burnett	41
Andrew Bradley, Zig	38
Jordan Doucette, Taxi	38

Runners Up



Rob Tarry, Rethink

Years in the business: 10. Though I'm bad at math.

Big clients: Solo, Sirius, Slice, Science World

What was your favourite campaign over 2006?

I was stopped in my tracks by a Canadian Armed Forces spot. The soundscape, the cinematography, the unusually

honest strategy.... I thought I was watching a movie.

Daft new marketing trend?

Consumer-created content. The public is way too smart and understandably cynical to give them the keys to the Vette.



Bryan Collins, Rethink

Years in the business: 13

Big clients: Coast Capital Savings, YWCA, Gold's Gym

Which of your campaigns makes you most proud?

My sentimental favourite is the 'Dieter' spot for Future Shop. I'll never get tired of lasers flying from crotches.

Daft new marketing trend?

Online contest redemption. I don't want to go to a site, enter all my personal info and a 14-digit number from the label on my Coke just to find out I didn't win a Coke.

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Rob Sweetman, Rethink



Years in the business: Sevenish

Big clients: Right now I have Solo Mobile, BARE Wetsuits and Science World briefs on my desk.

Which of your campaigns are you the most proud of?

The 1-800-GOT-JUNK? work. A campaign featuring rats took a big leap of faith for our brave client (the president has musophobia) but it worked out really well for them. The spots were sent around the Internet and selected for TBS's *World's Funniest Commercials* special. But more importantly it got their phone ringing.

What was your favourite campaign over 2006?

There was a lot of great work last year – AmeriQuest continued their strong campaign. Vodafone created that "Now-why-didn't-I-think-of-that work." The Durex pixel print was sweet and the Viagra golf spot was great. The Adicolor series was beautifully fresh (I just wish they were all as good as Charlie White's) and the counterfeit Mini integrated effort was inspiring.

But if I had to pick my personal favourite it'd be Starburst and Skittles work out of New York. Namely "Beard" and "Factory." Strategically sound, so simple and funny as hell, appealing to my inner 14-year-old.

What new marketing trend seems daft to you?

Posting boring content on YouTube to satisfy an interactive itch, or committing to media channels prior to conceptual development.

What's the best advice anyone ever gave you?

Work fast, there's plenty of time to edit later.

Top 20

Rob Sweetman, Rethink.....	149
Israel Diaz, Leo Burnett.....	146
Ron Smrczek, Taxi.....	102
Dean Lee, DDB.....	84
Ian Kay, Leo Burnett.....	81
Peter Gomes, Leo Burnett.....	81
Paul Wallace, DDB.....	77
Sam Cerullo, Taxi.....	74
Ian Grais, Rethink.....	68
Daryl Gardiner, DDB.....	65
Jaimes Zentil, BBDO.....	60
Anthony Chelvanathan, Leo Burnett.....	52
Allan Mah, Zig.....	38
David de Haas, Rethink.....	37
Nellie Kim, John St.....	35
Jason Hill, Zig (now Taxi).....	33
Joel Arbez, DDB (now Trigger).....	32
Lance Martin, Taxi.....	31
Martin Beauvais, BBDO (now Zig).....	29
Mike Blanch, TBWA\ (now Taxi).....	28

Runners Up



Israel Diaz, Leo Burnett

Years in the business: 12

Big clients: Kellogg's, Visa, Wrigley, Zellers, Samsung

Which of your campaigns are you the most proud of?

It's always pretty gratifying to receive awards for a project that started off as a tough, unexciting brief.

Last year, we were able to do this for the "Mission Nutrition" campaign for Kellogg's. We decided to tackle it with a series of wittily written and painstakingly executed long-copy ads. (Or is it the other way around?) Anthony Chelvanathan, AD, and I spent long nights at the retouching studio crafting these ads to death – right down to kerning the legal asterisks. To this day, we look at it and still get the urge to change some things.



Ron Smrczek, Taxi

Years in the business: 10+

Big clients: Canadian Tire, Viagra, Nike

Which of your campaigns are you the most proud of?

The Viagra "Bleep" campaign. This became a great example of how an obstacle can become an opportunity. If you can't say something on television, it typically gets bleeped out.

So that's exactly what we did – and in doing so, we let the viewers use their imagination to complete the story we couldn't tell.

How we do it

The Creative Report Card was established in 1989 to give the marketing community an idea which agencies, clients and creatives have brought home the most hardware for their mantels. To do this, we keep a database of wins for each Agency, Client, CD, AD and Copywriter and award points. However, we at *strategy* realize it's likely a tougher field at Cannes than in Calgary. Thus, point values are highest for international awards, followed by national and then regional.

Scoring

We attempt to have the value of points we award to reflect the feedback we receive from our readers and industry people. Points are awarded according to whoever is credited in awards show books. When a credit was omitted in a particular awards show, but the same ad was credited correctly in another award show, we would use the correct information to make our own tabulation.

Individuals

In regard to the individual awards, we have done our best to reference the agency for which the individual happens to be working currently, wherever possible.

Agencies

If an agency has offices in multiple cities, that agency is credited only once; however, affiliated agencies with identical parent companies are listed separately.

Clients

Sometimes different clients are named for the same ad. We have attempted to consolidate all points under one client name for the purposes of tabulating our points. No two clients were awarded points for the same ad.

A final thought

The purpose of the Creative Report Card is to give a fair and accurate analysis of Canada's strongest creative advertising work. Bear in mind that the report card accounts for almost 1,000 individual awards (and there are at least five credits for every award).

Therefore this is not a perfect system. But we have tried to do our best both in determining the value of each award show, as well as give credit where it's due.

The awards that count:

Regional*: ICE, Ad Rodeo, Lotus

National: Marketing, Applied Arts, Cassies, ADCC

International: Cannes, Clios, One Show, LIAA, D&AD, Communication Arts

* In 2006 the Coq d'Or, co-ordinated by the Publicité Club de Montreal, was not held and therefore not included in the tabulations.

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◀ By David Moore ▶

Who will champion research innovation?

All industries must go through periods of major upheaval and change if they are to survive. Advertising is no exception. Our profession's fresh young faces have seen more of advertising's sacred cows sacrificed in a few short years than their forebears would have seen in an entire career.

We've seen significant changes in consumer behaviour, in media channels, in technology, in advertising campaigns, in data mining and grassroots marketing, and we know more change will occur before we arrive at a new status quo.

But amidst all of this sweeping change, one part of our industry – marketing research – still does business the same way it has for decades.

The conventional wisdom is that advertising agencies hate research, but most agencies will (grudgingly) acknowledge that research is essential to what we do. Research helps us get to brilliant insights and see consumers differently; it inspires our creative; and it stops weak ideas from getting incubated. Given the pressure today's marketers have to find competitive advantages and prove ROI, we must consider research crucial to the process.

And that's precisely the problem.

Considering its pivotal role in shaping our decisions, we spend precious little time evaluating how we do research. We don't examine the questions we're asking, how we're asking them, whether it is realistic to expect people to be able to provide answers, or what norms and metrics we use.

We often just default to doing it the same way we did it last year. We do this for consistency, simplicity and to save time.

There are two problems with this approach. First, we use outdated techniques and methodologies. Historical research techniques are based on assumptions and models, such as "interrupt and repeat," that date back decades.

For example, we consistently turn to norms for comparison but our norms are five to 25 years old and therefore may invite irrelevant comparison. The techniques also assume captive audiences and a limited media environment, and fail to take into account the fragmented, technology driven, consumer-controlled new media environment.

Second, and more alarming, the research techniques advertisers currently use may

not be getting to the real heart of the matter, and consequently contributing to faulty conclusions. Most marketing theories assume humans make conscious, rational decisions, that we are aware of, and can evaluate why we do things. But an increasing body of evidence from psychology, neurology, and market research itself demonstrates we are not as rational as we think, and that sub-conscious



things they have no reason to remember. We evaluate success using metrics whose origins can be tracked back to the early part of the 20th century. For the most part, there's been no wide-scale significant innovation in copy testing or tracking (except in data collection methods) in 50 years."

Consider evidence presented at the recent Research Industry Summit in Chicago, which showed that "just 0.25% of the population supplies 32% of responses to online surveys," and "50% of all survey responses come from less than 5% of the population." One senior researcher went so far as to say: "We're perpetuating a fraud."

Unfortunately, the discussion in Canada is currently limited to the occasional "focus groups suck" article. Part of the problem can be chalked up to a lack of will. Agencies still invoke current research methods selectively to support their causes. Research companies have too much vested in the "proven" products they sell to champion meaningful change. And marketers are often stretched too thin, and lack resources to critically rethink research.

In Canada, we badly need someone to champion research innovation and overhaul the current paradigm. But in the meantime, we should all be asking ourselves this: Is

Just 0.25% of the population supplies 32% of responses to online surveys and 50% of all survey responses come from less than 5% of the population

emotions actually drive our decision-making.

Discussions about the current state of market research are occurring in the U.K., Europe and in the U.S. In fact, the Advertising Research Foundation has made several strong pronouncements on marketing research over the past year and has accused us of continuing "to follow a flawed model of how advertising works," and more pointedly:

"We use questions that invite people to recall

our approach to research paving the way toward the future of advertising, or keeping us locked in a past whose time has come and gone?

David Moore, a 20-year veteran of Leo Burnett, has held regional, national and global positions for the agency in Toronto, Chicago and Mexico City. He is currently president/CEO of Leo Burnett's Canadian operations.



◀ By Will Novosedlik ▶

Can the experience surpass the brand?

And is there such a thing as “too successful”?

As books like *Uncommon Grounds: The History of Coffee and How It Transformed Our World* by Mark Pendergrast have demonstrated, the culture of coffee is at least as deep and rich (but nowhere near as snobby) as the culture of wine.

A ninth century Ethiopian invention, coffee has a history that links it to some of the great social issues of the last millennium. It has inspired and endured trade wars and religious censure. It's lubricated many of the great intellectual movements of the last 500 years, and given rise to economies. It's the sixth-largest globally traded commodity by value. In America alone, the per capita consumption is over 22 gallons a year. Coffee is, in the parlance of the street, HUGE.

It's no surprise that it should also be one of the first commodities to inspire the concept of brand experience. It started with B. Joseph Pine and

of what Europeans have known for centuries: It isn't just about the coffee. It's about the sensory envelope in which we experience it. What Starbucks did was reverse-engineer that envelope, detail by detail, sense by sense, and design an experiential template that could be replicated thousands of times around the world.

This of course has initiated positioning wars with competitive vendors. While Starbucks wishes to become everyone's “third place” (after work and home), Second Cup wants us to make them our “second home.” Even Coca-Cola is in the act now with its Far Coast concept store in Toronto, where they will offer consumers “a window into different cultures through our range of delicious brews and infusions.”

Then there are brands which become second and third homes almost organically. For Tim Hortons, it's about the lunch, not just the coffee, and in rural areas, it has become

In Toronto, that means a trip to the east-end Mercury Espresso Bar. Like New York's famed “soup Nazi,” Mercury's colourful proprietor treats every cup as a sacred offering. Nor is he afraid to tell us what Mercury is about: “We aim to bring to our clients the best cup of coffee served in Toronto.” His mission: “Nothing says coffee like crazy goats and rock 'n' roll.” Which is what you hear on the turntable when you walk in. Then there's Stratford, Ont.-based Balzac, where the ghost of the great French writer is channeled into brews made from Arabica beans, long preferred by coffee lovers to the more plebian Robusta.

So this raises an important question: Is it possible to replicate an experience as unique as Balzac or Mercury? Can a Starbucks give us both the envelope and the contents? Starbucks does say it is committed to offering its customers “the world's best coffee and

As brands in this space continue to experiment with the sensory envelope, they seem to have missed the most important part: the freakin' coffee!

a second community centre. And for a long time, Coffee Time (Smokey Time?) was the “third place” of the nicotine set.

As brands in this space continue to experiment with the sensory envelope, (a little Wi-Fi here, a little Tony Bennett there), they seem to have missed the most important part: the freakin' coffee! I don't know about you, but I have not had a satisfactory latte at any of the big chains for a very long time.

Timothy's, Starbucks, Second Cup – they all taste rather bland to me. In a recent issue of *Canadian Business* magazine, a blind taste test was conducted with four experts – an executive chef, a custom roaster, an espresso bar owner and an importer – and they all thought McDonald's was the best of the bunch. That bunch included Starbucks.

For demanding espresso-holics, the best stuff is still to be had at the independents.

the finest coffee experience.” So they know they need to deliver both. Timothy's claims “a passion for fantastic coffee” and it “ensures every cup is beyond comparison.” Hmm...

While the coffee category may have woken the industry (and bean counters) up to the value of brand experience, seems like the baristas have been caught napping on the product front, and it's time to snap to and re-evaluate the experience. Curiously, the bean chains' success at elevating consumers' coffee expectations has been so pervasive that it's changed the game, and it's time for everyone to kick it up another notch.

Will Novosedlik is partner at Toronto-based Chemistry, a brand collaborative which links strategy to communication, organizational performance and customer experience. He can be reached at will@chemistrycorp.com.



PHOTO BY STEPHEN STANLEY

Canada's coffee version of the soup Nazi: Matthew Taylor, owner of the Mercury Organic Espresso Bar

James H. Gilmore's 1999 book *The Experience Economy*, in which Starbucks was cited as Exhibit A in the case for looking at brand-as-experience instead of the more conventional brand-as-image.

Since then we've been all but bludgeoned to death with the brand's Archimedean discovery

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Ingenious Placement + Creativity = RECALL

OUT-OF-HOME ADVERTISING COMES OF AGE

Since that first Coca-Cola logo was painted on the side of a brick building, billboards have caught the eyes and whetted the appetites of countless consumers. Although it's the oldest form of advertising, out-of-home marketing has never been more relevant.

PricewaterhouseCooper's Global Entertainment and Media Outlook for 2005-2009 predicts that out-of-home will be the second fastest growing medium, behind only the Internet. Out-of-home's many different formats seem impervious to the fragmentation being experienced by other advertising channels. The medium actually increases the number of possible touch points with consumers and creative boundaries can push well beyond a printed page, 30-second spot or static image.

Out-of-home marketing today is the fusion of brands into the daily lives of consumers, effectively engaging them throughout their day in many different ways. For advertisers, companies such as Outdoor Broadcast Network (OBN), Gallop + Gallop, Artisan Live, Astral and Neo Advertising build brand awareness and motivate consumers to generate responses.

Rules of Engagement

Out-of-home is the longest standing segment in media, but it often appears to be the most modern and avant-garde advertising channel available. "With out-of-home, marketers get a defined presence that's difficult to avoid, coupled with innovation to better deliver relevant messages to consumers," says Peter Irwin, president of Outdoor Broadcast Network (OBN), a leader in large format, full-motion LED video boards in Canada.

With key locations in five of the top 8 markets in Canada, OBN offers a near national network of boards—a rarity in the industry. OBN boards in Vancouver, Edmonton, Winnipeg, Toronto and the Golden Horseshoe reach an average of 6.8 million people weekly.

The Real Deal

These big, beautiful video boards offer more than dynamic images and vivid colours. Video boards feature unparalleled flexibility in content creation and delivery. From a production standpoint,

marketers need not develop creative from scratch. OBN can usually utilize existing content that's been developed for television, online, print, even packaging and customize it for the big screen. This allows advertisers to easily make content relevant to the outdoor environment while maintaining continuity with the rest of their advertising campaign.

When it comes time to deliver this content, video boards help advertisers use real time technology to bolster their business. Marketers can schedule specific messages in very defined periods of time. 680 News, for example, is currently running a campaign on the OBN network throughout the GTA. The talk-radio channel runs real time, breaking news headlines on the boards with callouts to catch the full story by tuning into 680. "In this instance," Irwin says proudly, "we actually have another media using out-of-home to attract an audience."

In So Many Words

If a picture says a thousand words, then many different kinds of pictures speak volumes. Out-of-home marketing

gets your message in many different places, in many different ways. With the plethora of formats available, OOH "provides marketers an extended opportunity to engage consumers across multiple environments," says Linda Gallop, vice president of Gallop & Gallop Advertising Inc., one of the country's most innovative outdoor agencies.

Gallop & Gallop makes consumer connections even easier by enhancing existing products to find new ways to reach audiences. The company's successful



Global Television connects with viewers through Tunnelmedia Flashmedia are street level posters strategically located in both residential and commercial areas across Canada. Flashmedia posters are COMB audited for both pedestrian and vehicular traffic and reach more than 80 percent of adults an average of 11 times monthly.

Building E-motion

To build on the impact of Flashmedia, Gallop & Gallop is introducing Flashtech, a dynamic lighting extension. Launching in 2007, the groundbreaking technology uses electroluminescence to create motion on up to 90 per cent of a poster's area. The wave or blinking motions can further draw consumers into the brand message in that fabled "last mile" of marketing—the point of sale—or build brand awareness throughout a city. The company also offers lenticular technology—motion created by flipping images so they morph into one another.

Artisan Live: On the MAAP

"Half the money I spend on advertising is wasted; the trouble is I don't know which half." —John Wanamaker, department store pioneer

Although this phrase was uttered nearly a century ago, it remains true across many advertising formats today. That's why Artisan Live developed MAAP, or the Mobile Affiliate Advertising Program.

MAAP enables marketers to measure advertising with digital signage operators across Canada via accountable mobile engagements. The program provides marketing solutions so advertisers know exactly what is working and they pay only for those interactions.

Here's how it works: Artisan custom builds a 15-second digital signage spot with an embedded keyword

for consumers to text in via mobile phone. The company distributes the spot across networks throughout Canada. A unique keyword is assigned to each network to track transactions. Networks get paid a commission for every response generated from that commercial.

Nissan recently used MAAP for a promotion offering consumers the chance to win a 2007 Versa by texting a word to 647726 (NISSAN). Artisan used different keywords, such as VERSA, ENTER and CAR, for each specific signage network airing the commercial. Nissan could quickly and easily track which placements were most effective. Artisan has also leveraged MAAP for clients including Molson and Rogers Sportsnet. Go to www.artisanlive.com to learn how to get on the MAAP.



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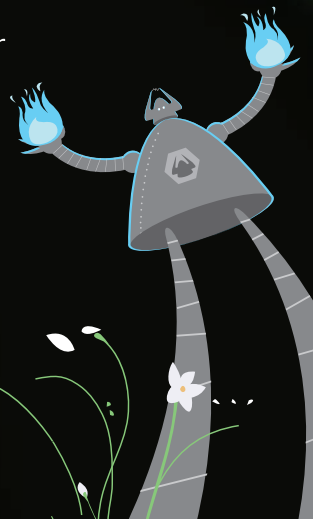


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Connections made easy through Flashmedia

Create, Innovate, Engage

In 1941, when wartime blackouts banned outdoor lighting in New York's Times Square, sign maker Douglas Leigh went to work. Leigh created Camel Cigarette's iconic billboard of a man puffing out five-foot-wide "smoke" rings across the square. But Leigh didn't build some complex contraption for the effect—he simply used an existing steam duct and controlled the timing of the puffs. He used what he had to deliver an attention-grabbing message in a location relevant to the consumer.

Six decades ago, Leigh knew something that many marketers today sometimes forget: good content builds brands and propels sales. No matter how high-tech a medium may be, if there's no substance behind the bells and whistles, consumers will simply tune out. In the OOH arena this tenet rings particularly true. "It all boils down to content," explains Raji Kalra, new media consultant at Artisan Live. "If [out-of-home channels] don't broadcast relevant content, consumers won't pay attention—no matter how flashy."

The over 30-year-old Artisan began life as a printing company. Through the decades, it evolved to focus on POP solutions through merchandising at the retail level. Artisan has since honed a keen understanding of targets and in-store traffic to consistently deliver strong results for marketers.



OBN: Power of the Tower

At 18-stories high, the media tower at Toronto's Yonge Dundas Square takes advertising to new heights. The Outdoor Broadcast Network's LED video screen on the tower is programmable, allowing advertisers to directly interact with pedestrians, shoppers, students and business people.

This past December, Time magazine and DaimlerChrysler joined forces to advertise Time's "Person of the Year" campaign on the media tower. The controversial recipient—YOU—was reflected in the print version with a foil-wrapped computer screen on the cover. OBN used an even more interactive approach. Passers-by could send photos of themselves via cell phone to be broadcast on the 40' by 30' screen. "You" literally became part of the ad for Person of the Year.

OBN has also coordinated with other video board companies within Dundas Square to dominate this bustling city centre. A recent campaign for Johnnie Walker whisky featured the iconic yellow Johnnie character "walking" from video board to video board around the Square. The top-hat toting dandy started in the south end of the corner and kept walking around all four video boards, saturating the space with the high-impact ad message. To learn more about OBN, go to www.obn.ca.



GALLOP+GALLOP



CONNECTIONS

MADE EASY



Ingenious Placement + Creativity = RECALL

SPONSORED SUPPLEMENT

Gallop & Gallop: Flashmedia and Substance

Gallop & Gallop makes Flashmedia even flashier. The company uses extensions of its core out-of-home format to get your message in front of the right people, at the right time and in the right place. Check out www.gallop.ca to learn more about these high-impact Gallop & Gallop marketing tools:

Geotargeting: Gallop & Gallop can help you pinpoint and speak to your desired demographic, right down to the postal code if required.

Promotional services: Build interactivity with your consumer through Gallop & Gallop services such as Flash2mobile, a text messaging service that puts your message at consumers' fingertips.

Merchandising: Gallop & Gallop merchandising services provide advertisers with fast, economical and customized programs in both independent and chain convenience stores nationally. Posting staff can hand-deliver promotional packages to store owners and give brief talking points. Gallop & Gallop staff can also set up counter cards and floor stands in-store.

Floormedia: Highly targeted decals delivering wide reach and strong frequency. 900 floors to play on nationally.

Tunnelmedia: Strategically located in key tunnels in Toronto's downtown core, these high-impact backlit posters offer advertisers a dominant landmark opportunity.

Gallop & Gallop Charitable Initiative: To give back to the community and help charities benefit from the reach of Flashmedia, Gallop has not only donated valuable poster space, but also designed a system for fair allotment of prime, street-level Flashmedia locations.

POP Goes the Message

Building on its printing and POP expertise, Artisan Live extends the in-store life of brands via digital signage content. "The in-store environment is becoming the battleground where 70 to 80 per cent of purchase decisions are made," says director of Artisan Live, Kris Matheson. Digital signage harnesses the emotional impact of television in the exact spot where a consumer becomes a customer.

Artisan produces, activates, monitors and measures content for out-of-home digital boards. The company's in-house studio produces digital content—from text to animation, audio to HD video—that can run on any type of network.

Artisan helps brands transform screens into an emotionally connected, audience-targeted, instantly updated network for advertising. The format fuses content with context and ingenuity. As Matheson points out, the most impressive and effective boards are the ones that are the most creative. And creativity is quickly becoming synonymous with interactivity.

In Con-Text

Text messaging motivates consumers to interact with a brand via contests, coupons or polls. Mobile technology can deliver relevant and timely brand

messages to the mobile phones of consumers based on what they want from a brand, when they want it.

Artisan Live's Mobile Affiliate Advertising Program (MAAP) is a forum uniting advertisers and networks to create campaigns with the push of digital signage and the pull of mobile technology. Traditionally used online, affiliate marketing allows advertisers to use text messaging campaigns and pay only for the leads generated via specific digital signage networks. MAAP means measurability and complete accountability—two advertising cornerstones often lacking in traditional outdoor formats.

Ads That Add Up

Give them what they want—and then some. Unlike some other ad mediums, out-of-home marketing can deliver consumer benefits beyond product awareness. Done well, OOH can improve the look of street furniture, provide services such as maps and city information and entertain passers-by—all of which reflects positively on advertised brands.

As one of Canada's leading outdoor suppliers, Astral Media Outdoor strives to provide consumers and advertisers with innovative, high-impact formats. Astral's network of murals, posters, superboards, columns and mega-columns features more than 3,700 strategically placed advertising faces in Quebec



GREATER REACH. MORE FLEXIBILITY. NATIONAL IMPACT.

OBN now delivers over 6.8 million weekly impressions as our video board network of affiliates expands across Canada to include Vancouver, Edmonton, Winnipeg, Toronto and the Golden Horseshoe. With real-time updates and creative flexibility, our high-resolution video boards make an impact on your audience from downtown Vancouver to uptown Toronto.



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Ingenious Placement + Creativity = RECALL

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Astral Media Outdoor: Hit the Bull's-Eye

Out-of-home advertising is a mass medium. It reaches a very large audience (perhaps the largest of any media), but, unlike some other channels, marketers can easily hone in on and capture this moving target.

Astral Media Outdoor now offers the Geotargeting Exclusive Solution, a cutting-edge planning tool that allows marketers to increase the impact of campaigns by strategically positioning advertising faces to reach ideal consumers.

As the only company in Canada to offer the Geotargeting Exclusive Solution, Astral can build a geographic consumer model, accurate right down to the postal code. The technology combines socio-economic data with the target group's consumption patterns and then maps the result. The Geotargeting Exclusive Solution allows advertisers to move beyond the simplistic geographic boundaries imposed by Statistics Canada and other data suppliers. Consumers aren't pigeonholed into groups based solely on geography.

Astral can access more than 2,100 variables to provide a very revealing and thorough analysis of markets. Marketers can then customize concepts and creative, tailoring ads to reach the different segments of their audience. To download a complete Geotargeting Exclusive Solution brochure, go to www.astralmediaoutdoor.com.



Mobiliti Solutions: for a brand-new personalized advertising approach

and Ontario. In addition Astral's exclusive television network AeroTV, Passeport Media and exceptional signage opportunities at Montreal's Trudeau Airport ensures Astral Media Outdoor delivers what you want, where you want it, to whom you want.

Astral's network reaches 5,852,000 people every day in Ontario and 4,520,000 people in Quebec. Astral also offers electronic marketing solutions in Montreal, Quebec City and Calgary airports. (To take a virtual "drive" around Astral's many outdoor offerings, go to www.astralmediaoutdoor.com.)

Carry-on Messages

One of Astral's latest ventures, AeroTV, is a digital TV network operating in Montreal's Trudeau International Airport. Unlike other networks in Canada, AeroTV focuses on entertainment and relaxation programming to appeal to this particular captive audience. The network of 80 departure lounge screens reaches more than 5 million travelers.

More impressive than the quantity of impressions is the quality of the audience. These 5 million travelers are affluent, with an average family income of \$95K. They are professionals—about half are business travelers. 75 per cent are between the ages of 35 and 54, and they comprise a target audience that's tough to reach through traditional TV advertising.

S64

They are also attentive. Airport travelers at departure lounges are relaxed, having passed customs and security queues. With waits averaging almost two hours, viewers look for entertainment to pass the time, but they don't have the option to channel surf or skip commercials. Armed with this knowledge, Astral offers marketers a very flexible, highly targeted solution.

Cell, Cell, Cell!

To further target on-the-move consumers, Astral offers Mobiliti Solutions, a mobile phone-based extension of their more traditional outdoor products. There are currently 17 million mobile phone users in the country and more than 5.7 million text messages are sent daily. Mobiliti literally puts ad campaigns in the hands of these potential or existing customers.

As an ad medium, text messaging allows marketers to develop personalized, value-added approaches, tailored to each consumer. Mobiliti campaigns can provide extra info about products, such as schedules, programming or breaking news. This direct and trackable communication with consumers builds a brand database so that successes, or shortcomings, can be easily measured, extending the life of an ad campaign long after the billboard has been taken down.

Work The Network

To persuade a target group, marketers must also surprise them with an innovative medium that's located as closely as possible to the point of sale. "The closer you are to the point-of-purchase, the better," says Benjamin Mathieu, CEO of Neo Advertising's Canadian



Advertiser's can reach consumers with "pin-point" accuracy and "flexibility"

branch. And, in an environment cluttered with static advertising, the more dynamic that message is, the better.

Neo Advertising operates this country's first, and only, truly national digital signage network, having acquired DAN Media late last year. The Switzerland-based company also operates a huge network of more than 1,000 screens throughout Europe.

In Canada, the Neo network reaches more than 9 million people per week across 60 locations housed in the country's busiest shopping centres. The company plans to extend this national offering to 80 locations by the end of the year—an increase that will translate into about 12 million people weekly, which is an unmatched offer in North America.

The network offers a dynamic and flexible

forum for advertising that's close to the consumer. With screens located in mall food courts, adverts have never been closer to products and services. Interactive components such as coupons, or other incentives, motivate customers to visit a point of sale that's potentially just a few steps away.

Screening Room

Advertisers can easily customize messaging on the Neo network. Real-time broadcasting offers marketers the chance to reach target groups and change messaging according to variables, such as time, geographic location, and even changing conditions like the news and weather. Neo can tweak content to make it more relevant quickly and cost-effectively—something other mediums like television or radio simply cannot.

Technologically, Neo affords marketers the best solutions in the biz. The network's screens one up the

Neo Advertising: Courting Consumers

70 per cent of Canadian's visited a shopping mall and spent an average of 1.5 hours during their visit (source: OMAC). Neo Advertising puts your message in the mall and in the face of this desirable demographic through their new and renovated digital signage network across the country.

Now, Neo is thinking outside the single-screen box. In the coming weeks, the company will be launching "Food Court Live," a new and innovative digital signage network designed to saturate the mall food court environment to give advertising the best presence in the space.

The objective is to capture 100 per cent of the traffic in the food court by multiplying the number of screens within a single location and using a completely new content strategy. Every seat in the house will be the best

seat in the house so no ad will go unnoticed. Food Court Live launches in the first quarter of 2007 with a progressive rollout, but the entire network will be transferred by the end of this year. This new concept will not only be unique in Canada but the first design this way worldwide. For advertising inquiries, visit www.neoadvertising.com or call 416.815.7570.

typical 42-inch displays, Neo is now installing LCD 46-inch, and even LCD 55-inch, screens in locations. And, unlike most other digital signage networks, Neo utilizes high definition as their standard of broadcasting.

With Neo, advertisers can also rest assured that delivery on their content is secure, reliable and top quality. Neo's content management platform allows for optimal flexibility and interactivity. The company partners with leading technological companies to offer new features (like interactivity with consumers) and a constant improving of the network through tech innovation. Technological and creative innovations remain cornerstones of all out-of-home mediums. With advancements in digital technologies, the creative use of alternate venues and cost-effective price structures, out-of-home literally stands head and shoulders above the competition.



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AD ANIMAL ANTICS

What with high expectations and tight turnarounds, getting a commercial to air on time and on budget can be a real challenge. And that's without adding children or wildlife to the equation. We figured that with the plethora of spokespersons out there, there must be some interesting behind-the-scenes tales. Here are a few of those stories about inhuman thespians...



Rodential potential

For the 1-800-GOT-JUNK shoot, not only did the rats have a wrangler, they had their own wardrobe person. And thank god, because their little coats didn't fit on our favourite rat. But we were soon ready. For our first shot we needed three rats to run across the lawn. The wrangler told us: "Rats do not go from point A to point B, they go from point B to point A." An uncomfortable pause followed this unexpected, Zen-like rat wisdom. But he was right. He put the cage where we wanted them to go, dragged them (gently) from the cage to their start point, and sure enough, they went straight for it. He could have just said "Rats will go to their cage" but I guess that's not as cool.

Bryan Collins, writer; Rob Sweetman, AD, Rethink

Consumers loved lascivious lizard

I'll never forget attending a screening for our Telus Christmas campaign in 2004. I had been presented the cuts and everything looked great. But then, I noticed something was up. The team wanted to show me another spot but were unsure how I'd react. Next thing I knew, I was watching a chameleon getting romantic with a phone to the song "Let's get it on." The pay-off line was: "Once you find love, hold onto it." I loved it. On set, the chameleon had spontaneously become enthralled with the phone and couldn't control its affections. You couldn't have scripted it better. No post work. No fancy editing. Turned out to be one of my favourite Telus spots of all time. Consumers loved it. And to think, it happened by pure fluke.

Zak Mroueh, VP/ECD, Taxi Canada



Good concept, bad functionality

The script said: "Cut to mother bear; she hands out Rice Krispies squares to her three baby bears. They all pick up their treats, eat and enjoy." I'd never directed bears. Oddly enough, locating a trained mother bear and three cubs was not so easy. We found a male teen bear who was comparable in size to an adult female and his younger cub-size sister from Nebraska and two boy cubs from Montana. Their owners drove them to the studio in Toronto (bears don't like to fly). We built an expensive set to resemble the fairy tale home of *The Three Bears*. The agency and clients flew in from Chicago. After a week on the road, the bears arrived. It was only at this point that the Grizzly Adams-type trainer finally read the script. "Y'all know that bears don't have opposable digits like chimps?"

"No. I didn't know that, but so what?"

"So, that part in the script when the bears pick up and eat the Rice Krispies squares...well that ain't gonna happen."

Martin Shewchuk, EVP/ECD, JWT Toronto



When you wear a tux, you travel in style

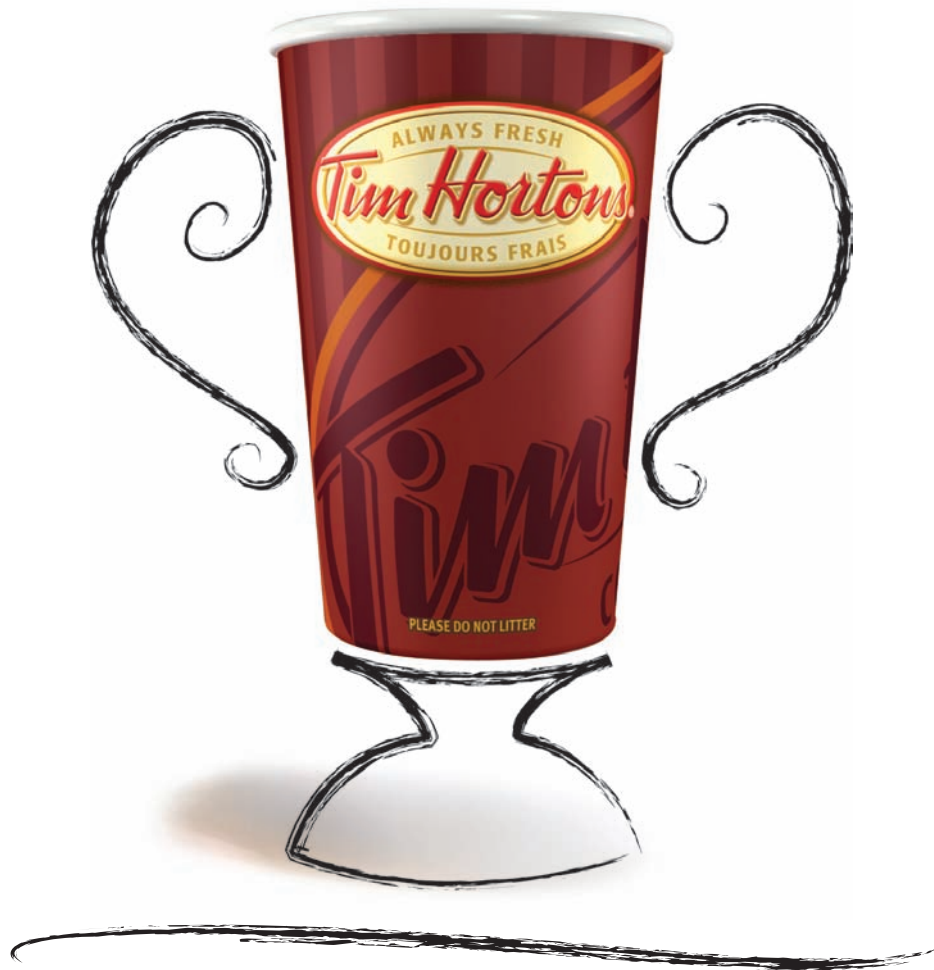
We'd ordered some penguins for a Telus shoot and they flew in (coach) to Vancouver from Edmonton. They had their own suite at the posh Sheraton Wall Centre Hotel where I'm told they ran up quite a room service tab. On set, they were like dogs, following their trainers everywhere – even to the ladies' room. They were Rock Hoppers so they had sharp claws suitable to their native terrain but our boards called for them to slide, as if on ice. "No problem," said Gillian, the head trainer. "As long as one of us is at the bottom of the slide, our guys will be fine." (Every other trainer had told me this was impossible – against the Rock Hoppers' very nature.) I began coming up with Plan B strategies.

On shoot day we set up a ramp with one trainer "pitching" from above and the other "catching" at the bottom. We had provided the catcher with a fencing mask just in case. To my wild surprise, the penguins did it right. First take. Seemed to like it, actually. Did it again and again. And it looked perfect in the edit, almost like they were surfing. Upon their return home, they were the toast of Edmonton, and I hear they're still dining out on stories of their B.C. experience.

David Orr, director, Sparks Productions



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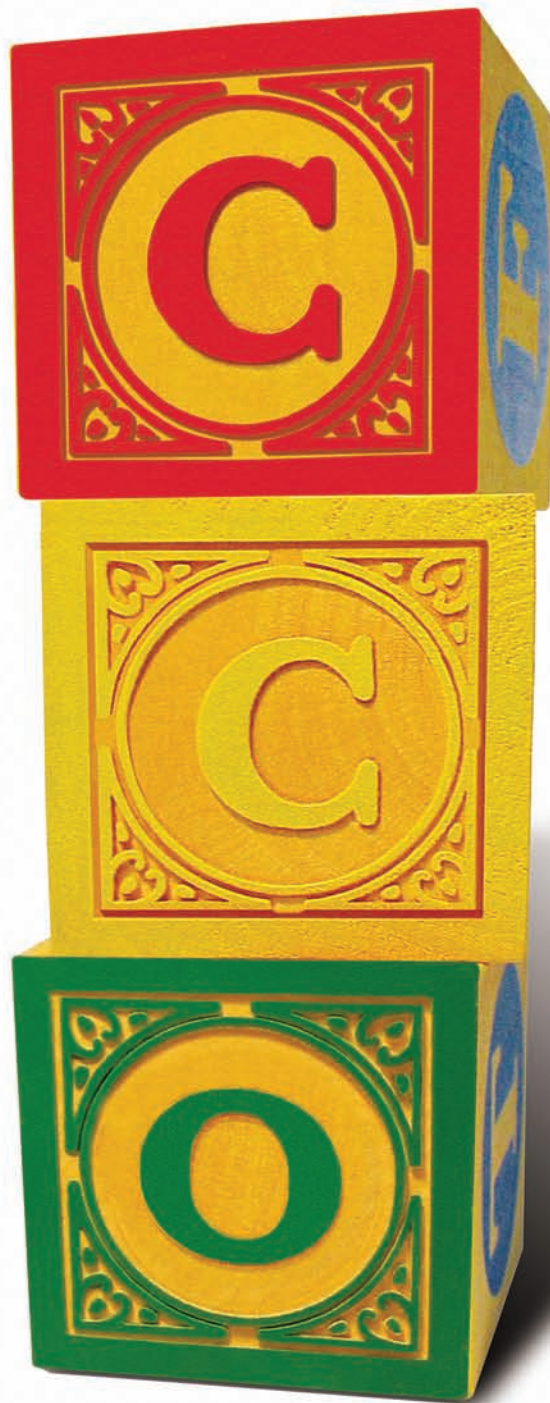
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